



UEN 200410181W

UNION STEEL HOLDINGS LIMITED

友联钢铁控股有限公司

33 Pioneer Road North Singapore 628474 Tel : (65) 6861 9833 Fax: (65) 6862 9833
GST Reg. No: 20-0410181W

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED 30 JUNE 2024**

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UNAUDITED CONDENSED FINANCIAL STATEMENT FOR THE SIX MONTHS AND FULL FINANCIAL YEAR ENDED 30 JUNE 2024

(A) Condensed consolidated statement of profit or loss and other comprehensive income

	Note	Group			
		6 months ended 30 June 2024 unaudited S\$'000	6 months ended 30 June 2023 unaudited S\$'000	12 months ended 30 June 2024 unaudited S\$'000	12 months ended 30 June 2023 audited S\$'000
Revenue	6	61,395	54,126	114,925	107,296
Cost of sales		(46,480)	(40,142)	(83,618)	(79,914)
Gross profit		14,915	13,984	31,307	27,382
Other income		2,749	4,699	6,034	7,330
Distribution costs		(76)	(89)	(199)	(209)
Administrative expenses		(8,623)	(8,511)	(17,007)	(15,339)
Other operating expenses		(2,013)	(2,782)	(3,999)	(4,668)
Finance costs		(903)	(1,023)	(1,697)	(1,793)
Profit before income tax	8	6,049	6,278	14,439	12,703
Income tax expense	10	(360)	(649)	(1,710)	(1,561)
Net profit for the financial period/year		5,689	5,629	12,729	11,142
Other comprehensive income					
<u>Item that may be reclassified subsequently to profit or loss</u>					
- Exchange differences on translation of foreign operations		28	44	23	(43)
Total other comprehensive income for the financial period/year		28	44	23	(43)
Total comprehensive income for the financial period/year		5,717	5,673	12,752	11,099



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(A) Condensed consolidated statement of profit or loss and other comprehensive income (continued)

	Group			
	6 months ended 30 June 2024 unaudited S\$'000	6 months ended 30 June 2023 unaudited S\$'000	12 months ended 30 June 2024 unaudited S\$'000	12 months ended 30 June 2023 audited S\$'000
Note				
Net profit attributable to:				
- Owners of the Company	5,689	5,589	12,729	11,003
- Non-controlling interests	*	40	*	139
	5,689	5,629	12,729	11,142
Total comprehensive income attributable to:				
- Owners of the Company	5,717	5,633	12,752	10,960
- Non-controlling interests	*	40	*	139
	5,717	5,673	12,752	11,099
Basic (SGD in cents)	4.82 cents [^]	4.73 cents ^{^^}	10.78 cents [^]	9.31 cents ^{^^}
Diluted (SGD in cents)	4.82 cents [^]	4.73 cents ^{^^}	10.78 cents [^]	9.31 cents ^{^^}

* Less than S\$1,000

[^] Basic and diluted profit per share for 2H2024 and FY2024 are computed based on net profit for the period/year attributable to ordinary shareholders amounting to about S\$5.7 million and S\$12.7 million respectively over the weighted average number of shares of 118,134,300. (On 22 February 2024, the Company completed a share split, converting every one ordinary share in the capital of the Company into three ordinary shares, increasing the total number of ordinary shares from 39,378,100 to 118,134,300.)

^{^^} Basic and diluted profit per share for 2H2023 and FY2023 are computed based on net profit for the period/year attributable to ordinary shareholders amounting to about S\$5.6 million and S\$11.0 million respectively over the weighted average number of shares, adjusted to 118,134,300 to reflect the share split mentioned above for comparative purpose.

There were no potential dilutive shares as at 30 June 2024 and 30 June 2023.

“2H2024” denotes the second half financial year of the financial year ended 30 June 2024 (“FY2024”).

“2024” denotes the full financial year of FY2024.

“2H2023” denotes the second half financial year of the financial year ended 30 June 2023 (“FY2023”).

“2023” denotes the full financial year of FY2023.



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(B) Condensed statements of financial position

	Note	Group		
		30 June 2024 unaudited S\$'000	30 June 2023 audited (Restated) S\$'000	1 July 2022 Unaudited (Restated) S\$'000
ASSETS				
Current assets				
Cash and cash equivalents		17,037	22,725	17,789
Trade and other receivables		40,090	34,700	21,045
Inventories		25,559	25,422	29,315
Total current assets		82,686	82,847	68,149
Non-current assets				
Property, plant and equipment	13	54,469	49,127	48,251
Right-of-use assets	14	9,633	11,784	11,216
Investment property	15	4,065	4,923	5,290
Goodwill	16	7,699	7,699	7,360
Club membership		201	201	201
Other intangible assets	17	154	463	4
Deferred tax assets	18	103	124	124
Total non-current assets		76,324	74,321	72,446
Total assets		159,010	157,168	140,595
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	19	21,904	18,223	21,757
Trade and other payables		23,064	29,972	18,070
Lease liabilities		2,063	2,523	1,890
Income tax payable		2,337	2,800	2,001
Total current liabilities		49,368	53,518	43,718
Non-current liabilities				
Borrowings	19	5,069	8,681	12,270
Lease liabilities		9,481	11,087	11,219
Deferred tax liabilities	18	6,663	6,236	6,163
Total non-current liabilities		21,213	26,004	29,652
Capital and reserves				
Share capital	20	36,603	36,603	36,603
Retained earnings		46,884	36,124	25,515
Capital reserve		5,237	5,237	5,237
Foreign currency translation reserve		(295)	(318)	(275)
Equity attributable to owners of the Company		88,429	77,646	67,080
Non-controlling interests		*	*	145
Total equity		88,429	77,646	67,225
Total liabilities and equity		159,010	157,168	140,595

* Less than S\$1,000



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(B) Condensed statements of financial position (continued)

	Note	Company	
		30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
ASSETS			
Current assets			
Cash and cash equivalents		603	687
Trade and other receivables		10,023	11,547
Total current assets		10,626	12,234
Non-current assets			
Property, plant and equipment		131	87
Club membership		201	201
Investment in subsidiary corporations	21	54,694	56,494
Total non-current assets		55,026	56,782
Total assets		65,652	69,016
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	19	2,240	2,240
Trade and other payables		10,426	28,318
Total current liabilities		12,666	30,558
Non-current liabilities			
Borrowings	19	4,480	6,663
Deferred tax liabilities	18	39	39
Total non-current liabilities		4,519	6,702
Capital and reserves			
Share capital	20	36,603	36,603
Retained earnings/(Accumulated losses)		11,864	(4,847)
Total equity		48,467	31,756
Total liabilities and equity		65,652	69,016



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(C) Condensed statements of changes in equity

Group	Note	Share capital S\$'000	Retained earnings S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance as at 1 July 2023		36,603	36,124	5,237	(318)	77,646	*	77,646
Net profit for the financial year		-	12,729	-	-	12,729	*	12,729
Other comprehensive income for the financial year		-	-	-	23	23	*	23
Dividends	11	-	(1,969)	-	-	(1,969)	-	(1,969)
Balance as at 30 June 2024		36,603	46,884	5,237	(295)	88,429	*	88,429
Balance as at 1 July 2022		36,603	25,515	5,237	(275)	67,080	145	67,225
Net profit for the financial year		-	11,003	-	-	11,003	139	11,142
Other comprehensive loss for the financial year		-	-	-	(43)	(43)	-	(43)
Disposal of a subsidiary corporation		-	-	-	-	-	(284)	(284)
Dividends	11	-	(394)	-	-	(394)	-	(394)
Balance as at 30 June 2023		36,603	36,124	5,237	(318)	77,646	*	77,646

* Less than S\$1,000

Company	Note	Share capital S\$'000	(Accumulated losses) / Retained earnings S\$'000	Total equity S\$'000
Balance as at 1 July 2023		36,603	(4,847)	31,756
Net profit, representing total comprehensive income for the financial year		-	18,680	18,680
Dividends	11	-	(1,969)	(1,969)
Balance as at 30 June 2024		36,603	11,864	48,467
Balance as at 1 July 2022		36,603	(7,083)	29,520
Net profit, representing total comprehensive income for the financial year		-	2,630	2,630
Dividends	11	-	(394)	(394)
Balance as at 30 June 2023		36,603	(4,847)	31,756



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(D) Condensed consolidated statement of cash flows

	Note	Group	
		12 months ended 30 June 2024 unaudited S\$'000	12 months ended 30 June 2023 audited S\$'000
Operating activities			
Profit before income tax		14,439	12,703
Adjustments for:			
- Depreciation of property, plant and equipment	8	4,780	4,588
- Depreciation of right-of-use assets	8	2,228	1,961
- Amortisation of other intangible assets	8	309	158
- Fair value loss on investment property	8	858	367
- Loss/(Gain) on disposal of property, plant and equipment	8	60	(92)
- (Reversal of)/Loss allowance on financial assets at amortised cost	8	(554)	815
- Gain on disposal of a subsidiary corporation		-	(1,434)
- Interest expense	8	1,697	1,793
- Interest income		(121)	(78)
Operating cash flows before movements in working capital		23,696	20,781
Changes in working capital, net of effects from acquisition of subsidiary corporations			
- Trade and other receivables		(4,836)	(10,874)
- Inventories		2,635	1,598
- Trade and other payables		(5,661)	4,842
Cash generated from operations		15,834	16,347
- Interest received		121	78
- Income tax paid		(1,725)	(1,303)
Net cash generated from operating activities		14,230	15,122
Investing activities			
- Acquisition of subsidiary corporations, net of cash acquired		(1,250)	2,320
- Purchase of property, plant and equipment		(13,058)	(6,202)
- Proceeds from disposal of property, plant and equipment		328	1,096
- Proceed from disposal of a subsidiary corporation		-	1,524
Net cash used in investing activities		(13,980)	(1,262)
Financing activities			
- Dividends paid to owners of the Company	11	(1,969)	(394)
- Increase/(Decrease) in bills payable	19	2,068	(86)
- Proceeds from bank loans	19	6,300	3,000
- Repayment of bank loans	19	(9,367)	(8,625)
- Repayment of lease liabilities	19	(2,988)	(2,779)
Net cash used in financing activities		(5,956)	(8,884)
Net (decrease)/increase in cash and cash equivalents		(5,706)	4,976
Cash and cash equivalents at beginning of the financial year		22,725	17,789
Effects of currency translation on cash and cash equivalents		18	(40)
Cash and cash equivalents at end of the financial year		17,037	22,725



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(E) Selected notes to the condensed interim consolidated financial statements

1. Corporate information

Union Steel Holdings Limited (the “Company”) (Registration No. 200410181W) is incorporated in Singapore with its principal place of business and registered office at 33 Pioneer Road North, Singapore 628474. The Company is listed on the Singapore Exchange Securities Trading Limited. These condensed consolidated financial statements as at and for the second half year and full financial year ended 30 June 2024 comprise the Company and its subsidiary corporations (collectively, the “Group”).

The principal activity of the Company is that of investment holding. The principal activities of the Group are disclosed in Note 21 to the financial statements.

2. Basis of preparation

The condensed interim financial statements for the second half year and full financial year ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the six-month financial period ended 31 December 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 3.

The condensed interim financial statements are presented in Singapore Dollar (“S\$” or “SGD”) which is the Company’s functional currency and all financial information presented in Singapore Dollar is rounded to the nearest thousand (S\$’000) except when otherwise indicated.

Basis of preparation for going concern assumption

The condensed interim financial statements have been prepared on a going concern basis, since management has verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

3. New and amended standards adopted by the Group

The Group and the Company have adopted all the new and revised SFRS(I)s and SFRS(I) Interpretations that are relevant to its operations and effective for annual period beginning on 1 July 2023. The adoption of the new and revised standards and interpretations is assessed to have no material financial effect on the performance and financial position of the Group and of the Company for the current financial period or prior financial period except for the below:



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3. New and amended standards adopted by the Group (continued)

Amendments to SFRS(I) 1-12: Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted the amendments to SFRS(I) 1-12 for the first time in the current financial year. The amendments narrow the scope of the initial recognition exemption, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences (e.g. leases and decommissioning obligations). Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

The Group had previously recognised deferred tax for leases on an aggregate temporary difference basis and assessed the impact to be immaterial. Following the amendments, the Group is required to recognise separately deferred tax asset and deferred tax liability for the deductible and taxable temporary differences in relation to its lease liabilities and right-of-use assets respectively.

The Group applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. The effects of the above amendments to SFRS(I) 1-12 are shown below:

	30 June 2022 S\$'000	Adjustment S\$'000	1 July 2022 S\$'000
Deferred tax assets	65	59	124
Deferred tax liabilities	6,104	59	6,163

There is no impact on the Company's financial statements for the prior financial year as a result of the adoption of the amendments to SFRS(I) 1-12.

4. Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 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.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:



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4. Use of judgements and estimates (continued)

(i) Revenue from mechanical construction and fabrication services

Revenue from mechanical construction and fabrication services is recognised over time by reference to the Group's progress towards completing the contract. The measure of progress is determined based on the proportion of contracts costs incurred to date to the estimated total contract costs. Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of contract revenue. When it is probable that the total contract costs will exceed the total contract revenue, a provision for onerous contracts is recognised immediately. Significant judgement is used to estimate these total contract costs to complete. In making these estimates, management has relied on past experience.

(ii) Write-down of inventories

A review is made periodically for excess inventory, obsolescence and declines in net realisable value below cost and management records write-down against the inventory balance for any such declines. These reviews are based on current market conditions and historical experience which require management's judgement in assessing the market positioning of the Group's products and are dependent on factors such as customer specification requirements, demands and price competition in response to the industry life cycles. Possible changes in these judgements could result in revisions to the valuation of inventory.

(iii) Calculation of loss allowance on trade receivables

When measuring expected credit loss on trade receivables, the Group uses a provision matrix which is estimated based on historical credit loss experience on the past due status of the receivables, adjusted as appropriate to reflect the current conditions and estimates of future economic conditions. The reasonable and supportable estimates of future economic conditions used is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring expected credit loss. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(iv) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating unit to which goodwill has been allocated. The value-in-use calculation requires management to estimate the future cash flows and a suitable discount rate in order to calculate present value. Based on calculations performed, management is of the view that no impairment charge is required for the financial years ended 30 June 2024 and 2023.



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4. Use of judgements and estimates (continued)

(v) Impairment of property, plant and equipment, right-of-use assets and other intangible assets

The Group assesses whether there are any indicators of impairment for its property, plant and equipment, right-of-use assets and other intangible assets at each reporting date. Property, plant and equipment, right-of-use assets and other intangible assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and uses a suitable discount rate in order to calculate the present value of those cash flows.

(vi) Fair value measurement of investment property

The Group's investment property is stated at estimated fair value, determined by independent external appraisals or management internally. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates such as overall market conditions require an assessment of factors not within management's control. As a result, actual results of operations and realisation of net assets may vary significantly from that estimate. The carrying amount of investment property is disclosed in Note 15 to the financial statements.

(vii) Impairment of investments in subsidiary corporations

In determining whether investment in subsidiary corporations are impaired, the Company evaluates the market and economic environment in which each subsidiary corporation operates and its economic performance to determine if indicators of impairment exist. Where such indicators exist, the subsidiary corporation's recoverable amount is determined based on value-in-use calculations. These calculations require the use of estimates and key assumptions, inter alia, future income, operating costs, capital expenditure and an appropriate discount rate to determine the extent of the impairment loss, if any. Based on the value-in-use calculations, management is of the view that an impairment charge of S\$2,000,000 is required for the financial year ended 30 June 2024 (30 June 2023: S\$308,000). The carrying amount of investment in subsidiary corporations is disclosed in Note 21 to the financial statements.

5. Seasonal operations

The Group's business has not been affected significantly by seasonal or cyclical factors during the financial year ended 30 June 2024.



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6. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Metals - import and export of scrap metals, waste collection services, trading and leasing of metal products;
- Segment 2: Scaffolding - provision of scaffolding services and related consultancy services;
- Segment 3: Engineering - civil construction and engineering work, manufacturing of motor vehicle bodies, mechanical construction and fabrication services and repair, commissioning, sale and rental of marine deck equipment;
- Segment 4: Others – income from rental properties

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

6.1 Reportable segments

Business segments	Metals S\$'000	Scaffolding S\$'000	Engineering S\$'000	Others* S\$'000	Total S\$'000
1 Jan 2024 to 30 Jun 2024 unaudited					
External revenue	23,746	3,209	34,440	-	61,395
Reportable segment results from operating activities	3,807	731	4,685	(351)	8,872
Finance income					57
Finance costs					(903)
Unallocated corporate expenses					(1,977)
Profit before income tax					6,049
Income tax expense					(360)
Net profit for the financial period					5,689
Reportable segments assets	49,312	12,795	88,006	5,285	155,398
Unallocated assets					3,612
Total assets					159,010
Reportable segments liabilities	30,702	1,427	26,045	1,393	59,567
Unallocated liabilities					11,014
Total liabilities					70,581
Other material non-cash items:					
Amortisation of intangible assets	-	-	155	-	155
Depreciation of property, plant and equipment	659	274	1,410	85	2,428
Depreciation of right-of-use assets	820	26	289	13	1,148
Fair value loss on investment property	-	-	-	858	858
Loss on disposal of property, plant and equipment	135	1	7	-	143
(Reversal of)/loss allowance on financial assets at amortised cost	300	-	(911)	-	(611)

* Include leasing of industrial properties.



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6. Segment and revenue information (continued)

6.1 Reportable segments (continued)

Business segments	Metals S\$'000	Scaffolding S\$'000	Engineering S\$'000	Others* S\$'000	Total S\$'000
1 Jan 2023 to 30 Jun 2023 unaudited					
External revenue	22,427	5,394	26,305	-	54,126
Reportable segment results from operating activities	4,694	2,171	637	1,509	9,011
Finance income					64
Finance costs					(1,023)
Unallocated corporate expenses					(1,774)
Profit before income tax					6,278
Income tax expense					(649)
Net profit for the financial period					5,629
Reportable segments assets (Restated)	52,998	14,860	80,714	6,321	154,893
Unallocated assets (Restated)					2,275
Total assets (Restated)					157,168
Reportable segments liabilities (Restated)	33,674	2,206	28,216	2,752	66,848
Unallocated liabilities (Restated)					12,674
Total liabilities (Restated)					79,522
<u>Other material non-cash items:</u>					
Amortisation of intangible assets	-	-	154	4	158
Depreciation of property, plant and equipment	580	272	1,564	77	2,493
Depreciation of right-of-use assets	697	25	376	11	1,109
Fair value loss on investment property	-	-	-	367	367
Loss allowance on financial assets at amortised cost	400	-	129	-	529

* Include leasing of industrial properties.



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6. Segment and revenue information (continued)

6.1 Reportable segments (continued)

Business segments	Metals S\$'000	Scaffolding S\$'000	Engineering S\$'000	Others* S\$'000	Total S\$'000
1 Jul 2023 to 30 Jun 2024 unaudited					
External revenue	44,732	7,774	62,419	-	114,925
Reportable segment results from operating activities	8,713	2,165	8,671	150	19,699
Finance income					121
Finance costs					(1,697)
Unallocated corporate expenses					(3,684)
Profit before income tax					14,439
Income tax expense					(1,710)
Net profit for the financial year					12,729
Reportable segments assets	49,312	12,795	88,006	5,285	155,398
Unallocated assets					3,612
Total assets					159,010
Reportable segments liabilities	30,702	1,427	26,045	1,393	59,567
Unallocated liabilities					11,014
Total liabilities					70,581
Other material non-cash items:					
Amortisation of intangible assets	-	-	309	-	309
Depreciation of property, plant and equipment	1,266	548	2,798	168	4,780
Depreciation of right-of-use assets	1,541	51	610	26	2,228
Fair value loss on investment property	-	-	-	858	858
Loss on disposal of property, plant and equipment	51	1	8	-	60
(Reversal of)/loss allowance on financial assets at amortised cost	400	-	(954)	-	(554)

* Include leasing of industrial properties.



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6. Segment and revenue information (continued)

6.1 Reportable segments (continued)

Business segments	Metals S\$'000	Scaffolding S\$'000	Engineering S\$'000	Others* S\$'000	Total S\$'000
1 Jul 2022 to 30 Jun 2023 audited					
External revenue	50,019	10,504	46,773	-	107,296
Reportable segment results from operating activities	8,475	4,574	2,702	1,707	17,458
Finance income					78
Finance costs					(1,793)
Unallocated corporate expenses					(3,040)
Profit before income tax					12,703
Income tax expense					(1,561)
Net profit for the financial year					11,142
Reportable segments assets (Restated)	52,998	14,860	80,714	6,321	154,893
Unallocated assets (Restated)					2,275
Total assets (Restated)					157,168
Reportable segments liabilities (Restated)	33,674	2,206	28,216	2,752	66,848
Unallocated liabilities (Restated)					12,674
Total liabilities (Restated)					79,522
Other material non-cash items:					
Amortisation of intangible assets	-	-	154	4	158
Depreciation of property, plant and equipment	1,097	527	2,812	152	4,588
Depreciation of right-of-use assets	1,338	51	561	11	1,961
Fair value loss on investment property	-	-	-	367	367
Loss allowance on financial assets at amortised cost	500	-	315	-	815

* Include leasing of industrial properties.



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6. Segment and revenue information (continued)

6.2 Disaggregation of revenue

Geographical information (Top 5 sales by countries)	Metals S\$'000	Scaffolding S\$'000	Engineering S\$'000	Total S\$'000
1 Jan 2024 to 30 Jun 2024 unaudited				
Singapore	20,346	3,209	27,132	50,687
Dubai, United Arab Emirates	-	-	3,104	3,104
Brazil	-	-	2,532	2,532
India	2,006	-	16	2,022
Vietnam	691	-	-	691
Others [^]	703	-	1,656	2,359
Total	23,746	3,209	34,440	61,395
1 Jan 2023 to 30 Jun 2023 unaudited				
Singapore	20,510	5,394	17,587	43,491
United States	-	-	3,167	3,167
Indonesia	97	-	1,811	1,908
India	1,511	-	30	1,541
Dubai, United Arab Emirates	-	-	1,146	1,146
Others [*]	309	-	2,564	2,873
Total	22,427	5,394	26,305	54,126
1 Jul 2023 to 30 Jun 2024 unaudited				
Singapore	39,348	7,774	45,894	93,016
Dubai, United Arab Emirates	-	-	5,359	5,359
India	3,563	-	770	4,333
Brazil	-	-	2,538	2,538
China	-	-	1,890	1,890
Others [^]	1,821	-	5,968	7,789
Total	44,732	7,774	62,419	114,925
1 Jul 2022 to 30 Jun 2023 audited				
Singapore	44,949	10,504	28,101	83,554
Indonesia	3,087	-	3,632	6,719
France	-	-	4,170	4,170
United States	-	-	3,225	3,225
Dubai, United Arab Emirates	-	-	2,144	2,144
Others [*]	1,983	-	5,501	7,484
Total	50,019	10,504	46,773	107,296

[^] Include Malaysia, Netherlands, Thailand, France, Belgium, Brunei, Mexico, Europe and etc.

^{*} Include Malaysia, India, Netherlands, Thailand, China, Brunei, Mexico and etc.



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6. Segment and revenue information (continued)

6.2 Disaggregation of revenue (continued)

Type of goods or services	Metals S\$'000	Scaffolding S\$'000	Engineering S\$'000	Total S\$'000
1 Jan 2024 to 30 Jun 2024 unaudited				
Sale of goods	18,417	3	6,793	25,213
Scaffolding services	-	3,204	-	3,204
Rental of materials and equipment	4,754	2	528	5,284
Mechanical construction and fabrication services	-	-	15,026	15,026
Engineering and metal services	575	-	12,093	12,668
Total	23,746	3,209	34,440	61,395
1 Jan 2023 to 30 Jun 2023 unaudited				
Sale of goods	17,409	-	6,325	23,734
Scaffolding services	-	5,371	-	5,371
Rental of materials and equipment	4,517	2	273	4,792
Mechanical construction and fabrication services	-	-	14,820	14,820
Engineering and metal services	501	21	4,887	5,409
Total	22,427	5,394	26,305	54,126
1 Jul 2023 to 30 Jun 2024 unaudited				
Sale of goods	34,106	40	13,136	47,282
Scaffolding services	-	7,728	-	7,728
Rental of materials and equipment	9,425	6	1,748	11,179
Mechanical construction and fabrication services	-	-	23,834	23,834
Engineering and metal services	1,201	-	23,701	24,902
Total	44,732	7,774	62,419	114,925
1 Jul 2022 to 30 Jun 2023 audited				
Sale of goods	40,624	4	16,351	56,979
Scaffolding services	-	10,463	-	10,463
Rental of materials and equipment	8,256	2	943	9,201
Mechanical construction and fabrication services	-	-	21,271	21,271
Engineering and metal services	1,139	35	8,208	9,382
Total	50,019	10,504	46,773	107,296



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6. Segment and revenue information (continued)

6.2 Disaggregation of revenue (continued)

Timing of revenue recognition	Metals S\$'000	Scaffolding S\$'000	Engineering S\$'000	Total S\$'000
1 Jan 2024 to 30 Jun 2024 unaudited				
At a point in time	18,992	3	14,376	33,371
Over time	4,754	3,206	20,064	28,024
Total	23,746	3,209	34,440	61,395
1 Jan 2023 to 30 Jun 2023 unaudited				
At a point in time	17,910	21	9,459	27,390
Over time	4,517	5,373	16,846	26,736
Total	22,427	5,394	26,305	54,126
Timing of revenue recognition	Metals S\$'000	Scaffolding S\$'000	Engineering S\$'000	Total S\$'000
1 Jul 2023 to 30 Jun 2024 unaudited				
At a point in time	35,307	40	29,580	64,927
Over time	9,425	7,734	32,839	49,998
Total	44,732	7,774	62,419	114,925
1 Jul 2022 to 30 Jun 2023 audited				
At a point in time	41,763	39	19,550	61,352
Over time	8,256	10,465	27,223	45,944
Total	50,019	10,504	46,773	107,296

7. Financial assets and financial liabilities

	Group		Company	
	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
Financial assets				
Cash and cash equivalents	17,037	22,725	603	687
Trade and other receivables	40,090	34,700	10,023	11,547
Less: contract assets, advance billing from suppliers and prepayments	(10,422)	(10,349)	(28)	(28)
Financial assets at amortised cost	46,705	47,076	10,598	12,206
Financial liabilities				
Borrowings	26,973	26,904	6,720	8,903
Trade and other payables	23,064	29,972	10,426	28,318
Lease liabilities	11,544	13,610	-	-
Less: rental billed in advance and contract liabilities	(3,069)	(3,466)	-	-
Financial liabilities at amortised cost	58,512	67,020	17,146	37,221



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8. Profit before income tax

Significant items

	Group			
	6 months ended 30 June 2024 unaudited S\$'000	6 months ended 30 June 2023 unaudited S\$'000	12 months ended 30 June 2024 unaudited S\$'000	12 months ended 30 June 2023 audited S\$'000
Income				
Gain on disposal of property, plant and equipment	-	152	-	92
Government grants	154	185	302	355
Rental of leasehold properties and warehouse	1,794	2,101	3,804	4,070
Rental of investment property	531	430	1,061	755
Reversal of/(loss allowance) on financial assets at amortised cost	611	(529)	554	(815)
Expenses				
Amortisation of other intangible assets	155	158	309	158
Depreciation of property, plant and equipment	2,428	2,493	4,780	4,588
Depreciation of right-of-use assets	1,148	1,109	2,228	1,961
Fair value loss on investment property	858	367	858	367
Interest expense	903	1,023	1,697	1,793
Loss on disposal of property, plant and equipment	143	-	60	-
Net foreign exchange losses/(gains)	9	(7)	78	118

9. Related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

Related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel, directors and their close family members.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the financial period/year was as follows:

	Group			
	6 months ended 30 June 2024 unaudited S\$'000	6 months ended 30 June 2023 unaudited S\$'000	12 months ended 30 June 2024 unaudited S\$'000	12 months ended 30 June 2023 audited S\$'000
Short-term benefits	1,850	1,928	3,813	3,358
Post-employment benefits	31	40	57	78
	1,881	1,968	3,870	3,436



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10. Taxation

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

	Group			
	6 months ended 30 June 2024 unaudited S\$'000	6 months ended 30 June 2023 unaudited S\$'000	12 months ended 30 June 2024 unaudited S\$'000	12 months ended 30 June 2023 audited S\$'000
Tax expense/(credit) attribute to profit or loss is made up of:				
- Current income tax	424	764	2,129	1,867
- Deferred income tax	727	18	612	(111)
	<u>1,151</u>	<u>782</u>	<u>2,741</u>	<u>1,756</u>
Over-provision in prior financial period/year				
- Current income tax	(791)	(44)	(867)	(106)
- Deferred income tax	-	(73)	(164)	(73)
- Withholding tax	-	(16)	-	(16)
	<u>(791)</u>	<u>(133)</u>	<u>(1,031)</u>	<u>(195)</u>
	<u>360</u>	<u>649</u>	<u>1,710</u>	<u>1,561</u>

11. Dividends

	Group	
	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
Ordinary dividend paid:		
Final dividend in respect of the financial year ended 30 June 2023, tax exempt one-tier final cash dividend of 5.00 cents per share (FY2023: 1.00 cents per share in respect of the financial year ended 30 June 2022), approved and paid during financial year	<u>1,969</u>	<u>394</u>

12. Net asset value

	Group		Company	
	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
Net asset value per ordinary share (Note 20)	<u>74.85</u> cents	65.73 cents	<u>41.03</u> cents	26.88 cents



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GST Reg. No: 20-0410181W**12. Net asset value (continued)**

On 22 February 2024, the Company completed a share split, converting every one ordinary share in the capital of the Company into three ordinary shares, increasing the total number of ordinary shares to 118,134,300. For comparative purpose, the weighted average number of shares used to calculate the net asset value per share for FY2023 was adjusted to 118,134,300 to account for the share split.

13. Property, plant and equipment

During the financial year ended 30 June 2024, the Group recognised additions in property, plant and equipment from acquired new assets amounting to S\$13,274,000 (30 June 2023: S\$8,461,000 including S\$2,203,000 from acquisition of subsidiary corporations). The overall increase was offset by depreciation charges of S\$4,780,000 (30 June 2023: S\$4,588,000), and assets transferred to inventories and disposal of property, plant and equipment with a net book value of S\$3,152,000 (30 June 2023: S\$2,635,000).

14. Right-of-use assets

	Group	
	30 June 2024	30 June 2023
	unaudited S\$'000	audited S\$'000
Cost		
Beginning of the financial year	15,463	16,289
Arising on acquisition of a subsidiary corporation	-	212
Additions	-	2,374
Lease modification	77	-
Derecognition	(163)	(3,412)
End of the financial year	<u>15,377</u>	<u>15,463</u>
Accumulated depreciation		
Beginning of the financial year	3,679	5,073
Depreciation charge (Note 8)	2,228	1,961
Derecognition	(163)	(3,355)
End of the financial year	<u>5,744</u>	<u>3,679</u>
Carrying amount		
End of the financial year	<u><u>9,633</u></u>	<u><u>11,784</u></u>



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15. Investment property

	Group	
	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
Beginning of the financial year	4,923	5,290
Fair value loss recognised in profit or loss (Note 8)	(858)	(367)
End of the financial year	4,065	4,923

Valuation processes of the Group

The fair value of the Group's investment property at the end of financial year has been determined on the basis of valuation carried out at the reporting date by an independent valuer with a recognised and relevant professional qualification and experience in the location and category of the properties being valued, and not related to the Group. The fair value was determined based on transacted prices for similar properties, adjusted for comparability. Such adjustments mainly relate to differences in remaining lease term and size of the comparable properties.

16. Goodwill

	Group	
	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
Beginning of the financial year	7,699	7,360
Goodwill arising on acquisition	-	339
End of the financial year	7,699	7,699

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The allocation is as follows:

	Group	
	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
Scaffolding services CGU - Hock Ann Metal Scaffolding Pte Ltd	4,603	4,603
Engineering CGU – BTH Holdings Pte. Ltd. and its subsidiary corporation ("BTH Holdings")	2,307	2,307
Other CGUs with insignificant goodwill	789	789
	7,699	7,699

Goodwill is tested annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the scaffolding services CGUs and engineering CGUs are determined using value-in-use calculations, derived from the most recent financial budgets approved by management for the next five years. Key assumptions as follows:



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16. Goodwill (continued)

	Estimated average growth rate		Discount rate	
	30 June 2024 unaudited %	30 June 2023 audited %	30 June 2024 unaudited %	30 June 2023 audited %
Scaffolding services CGU	3.0	3.0	10.0	10.0
Engineering CGU – BTH Holdings	3.0	3.0	9.0	11.0

Discount rate used is derived from comparable rates used by other companies in the similar nature of business segment.

For other CGUs with insignificant goodwill, management is of the view that the financial impact is not material to the Group regardless whether impairment is required.

17. Other intangible assets

	Group	
	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
Cost		
Beginning of the financial year	637	20
Arising on acquisition of a subsidiary corporation	-	617
End of the financial year	637	637
Accumulated depreciation		
Beginning of the financial year	174	16
Amortisation charge (Note 8)	309	158
End of the financial year	483	174
Carrying amount		
End of the financial year	154	463

Intangible assets arising from acquisition of a subsidiary corporation related to customer relationships that are initially recognised at cost, which represents the fair value at the date of acquisition, and subsequently, carried at cost less accumulated amortisation and any accumulated impairment losses. Customer relationships are amortised on a straight-line basis over its estimated economic useful lives of 2 years.



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18. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and the Company, and the movements thereon, during the current and prior reporting periods:

	Group		Company	
	30 June 2024 unaudited S\$'000	30 June 2023 audited (Restated) S\$'000	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
Beginning of the financial year	(6,112)	(6,039)	(39)	(39)
Arising on acquisition of subsidiary corporations	-	(265)	-	-
Disposal of a subsidiary corporation (Charged)/credited to profit or loss	(448)	184	-	-
End of the financial year	(6,560)	(6,112)	(39)	(39)

The following is the analysis of the deferred tax balances for statement of financial position purposes:

	Group		Company	
	30 June 2024 unaudited S\$'000	30 June 2023 audited (Restated) S\$'000	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
Deferred tax assets	103	124	-	-
Deferred tax liabilities	(6,663)	(6,236)	(39)	(39)
	(6,560)	(6,112)	(39)	(39)

19. Borrowings

	Group		Company	
	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
Amount repayable within one year or on demand				
Secured	21,904	18,223	2,240	2,240
Amount repayable after one year				
Secured	5,069	8,681	4,480	6,663

The bank borrowings are secured by a charge over shares of a subsidiary corporation and leasehold land and buildings, and the corporate guarantees from the Company.



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19. Borrowings (continued)

Reconciliation of liabilities arising from financing activities

	1 July 2023	Proceeds from borrowings	Principal and interest payments	Non-cash changes			30 June 2024
				Addition – new leases	Lease modification	Interest expense	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	24,926	6,300	(9,367)	-	-	950	22,809
Bills payable	1,978	9,854	(7,786)	-	-	118	4,164
Lease liabilities	13,610	-	(2,988)	216	77	629	11,544
	40,514	16,154	(20,141)	216	77	1,697	38,517

	1 July 2022	Proceeds from borrowings	Principal and interest payments	Non-cash changes			30 June 2023	
				Arising from acquisition of a subsidiary corporation	Addition – new leases	Disposal of a subsidiary corporation		Interest expense
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Bank loans	31,210	3,000	(8,625)	-	-	(1,700)	1,041	24,926
Bills payable	2,817	5,856	(5,942)	-	-	(810)	57	1,978
Lease liabilities	13,109	-	(2,779)	258	2,374	(47)	695	13,610
	47,136	8,856	(17,346)	258	2,374	(2,557)	1,793	40,514

20. Share capital

	The Group and the Company			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Number of ordinary shares	Number of ordinary shares	S\$'000 unaudited	S\$'000 audited
Issued and fully paid:				
Beginning of the financial year	39,378,100	39,378,100	36,603	36,603
Share split	78,756,200	-	-	-
End of the financial year	118,134,300	39,378,100	36,603	36,603

The Company did not hold any treasury shares as at 30 June 2024 and 30 June 2023.

The Company's subsidiary corporations did not hold any shares in the Company as at 30 June 2024 and 30 June 2023.

During the financial year ended 30 June 2024, the Company completed the share split of every one existing ordinary share in the capital of the Company into three ordinary shares. Following the completion of the share split on 22 February 2024, an additional 78,756,200 ordinary shares were allotted and issued, increasing the Company's issued ordinary shares to 118,134,300. The issue and paid-up capital remains unchanged.



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21. Investment in subsidiary corporations

	Company	
	30 June 2024 unaudited S\$'000	30 June 2023 audited S\$'000
Unquoted equity shares, at cost	75,802	75,802
Add: Increase in cost of investment	200	-
Less: Allowance for impairment	(21,308)	(19,308)
	54,694	56,494
Movement in the allowance for impairment		
Beginning of the financial year	19,308	19,000
Allowance recognised in profit or loss	2,000	308
End of the financial year	21,308	19,308

During the financial year ended 30 June 2024, the Company increased its cost of investment in a subsidiary corporation by way of capital injection of S\$200,000. The interest in the subsidiary corporation remains at 100%.

The Company has considered indicators of impairment on certain subsidiary corporations and estimated the recoverable amount using the value-in-use calculations. Based on the value-in-use calculations, management is of the view that an impairment charge of S\$2,000,000 is required for the financial year ended 30 June 2024 (30 June 2023: S\$308,000).

The Group's subsidiary corporations as at the end of the current and prior financial years are listed in the table below.

Name of subsidiary corporation	Principal activities	Place of incorporation	Effective equity interest and voting power held	
			30 June 2024 %	30 June 2023 %
Held by the Company				
Union Steel Pte Ltd ⁽¹⁾	Trading of steel products.	Singapore	100	100
YLS Steel Pte Ltd ⁽¹⁾	Recycling of scrap metals, trading of steel products, waste collection and management, and rental of materials.	Singapore	100	100
Yew Lee Seng Metal Pte Ltd ⁽¹⁾	Trading of ferrous and non-ferrous scrap metals.	Singapore	100	100
Union Engineering Pte Ltd ⁽¹⁾	Investment property holding and rental of properties.	Singapore	100	100
Hock Ann Metal Scaffolding Pte Ltd ⁽¹⁾	Scaffolding services.	Singapore	100	100
Gee Sheng Machinery & Engineering Pte Ltd ⁽¹⁾	Mechanical engineering services.	Singapore	100	100



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21. Investment in subsidiary corporations (continued)

Name of subsidiary corporation	Principal activities	Place of incorporation	Effective equity interest and voting power held	
			30 June 2024 %	30 June 2023 %
<u>Held by the Company</u>				
Transvictory Holdings Pte Ltd ⁽¹⁾	Investment holding and sale of marine deck equipment.	Singapore	100	100
BTH Holdings Pte. Ltd. ⁽²⁾⁽⁴⁾	Investment holding.	Singapore	100	100
<u>Held by the subsidiary corporations</u>				
Hock Ann Access System Pte Ltd ⁽¹⁾⁽⁵⁾	Scaffolding services.	Singapore	100	100
Union Applied Engineering Sdn Bhd ⁽²⁾⁽⁴⁾	Inactive.	Malaysia	100	100
YLS Holdings Sdn Bhd ⁽²⁾⁽³⁾⁽⁴⁾	Investment holding.	Malaysia	45	45
Transvictory Winch System Pte Ltd ⁽¹⁾	Sale of marine deck equipment.	Singapore	100	100
Steadfast Offshore & Marine Pte Ltd ⁽¹⁾	Sale of marine deck equipment.	Singapore	100	100
Used Equipment Pte Ltd ⁽¹⁾	Online portal for sales of industrial equipment.	Singapore	100	100
Applied Engineering Pte Ltd ⁽²⁾	Process and industrial plant engineering design and consultancy services.	Singapore	100	100
Marshal Systems Pte Ltd ⁽¹⁾	Contractors for electronic and electrical engineering works.	Singapore	100	100
Marshal Offshore and Marine Engrg Co., Ltd ⁽²⁾	Contractors for electronic and electrical engineering works.	China	100	100
Promoter Hydraulics Pte Ltd ⁽¹⁾	Sale and rental of marine equipment, marine accessories and parts.	Singapore	100	100
Fastweld Engineering Construction Pte Ltd ⁽²⁾	Installation and construction of gas piping systems, aluminum or stainless fabrication and related structures.	Singapore	100	100



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21. Investment in subsidiary corporations (continued)

- (1) Audited by CLA Global TS Public Accounting Corporation Singapore.
- (2) Audited by other audit firm for statutory purpose.
- (3) The Company is considered a subsidiary corporation as the Group has the rights to appoint 2 out of 3 members of its board of directors. The board of directors has the power to direct the relevant activities of YLS Holdings Sdn Bhd.
- (4) Not significant to the Group.
- (5) The Company has changed its name, formerly known as Hock Ann Marine Scaffolding Pte Ltd.

22. Subsequent event

Acquisition of Property at 9 Pioneer Walk Singapore 627752

The Company's wholly-owned subsidiary, Transvicory Holdings Pte Ltd (the "Purchaser"), was granted by Leong Jin Corporation Pte Ltd (the "Vendor") an option dated 14 August 2023 (the "Option") to purchase in respect of the balance of the 30-year leasehold interest commencing from 1 April 2006 between the Vendor and the Jurong Town Council ("JTC") for 9 Pioneer Walk Singapore 627752 together with the buildings and structures erected, and the Purchaser has, on 8 September 2023, exercised the Option ("Proposed Acquisition").

The Proposed Acquisition, valued at S\$13,800,000 (excluding prevailing goods and services tax), was funded through a combination of internal resources and bank borrowings and was satisfied by the Purchaser in the following manner:

- a. The amount of S\$138,000, being 1% of the Consideration (the "Option Money"), was paid to the Vendor on 14 August 2023 upon issuance of the Option;
- b. The amount of S\$552,000, being 4% of the Consideration (which together with the Option Money shall constitute the "Deposit") was paid to the Vendor's Solicitors upon exercise of the Option on 8 September 2023. This amount was held by the Vendor's Solicitors as stakeholding monies pending Completion and was subsequently paid to the Vendor on the completion date of 7 August 2024.
- c. The balance purchase price of S\$13,110,000 was paid to the Vendor on 7 August 2024.

The proposed acquisition was approved by the shareholders of the Company at the Extraordinary General Meeting held on 16 July 2024 and was subsequently completed on 7 August 2024.



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(F) Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Union Steel Holdings Limited and its subsidiary corporations as at 30 June 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second half year and full financial year ended 30 June 2024 and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

2H2024 (six months ended 30 June 2024) vs 2H2023 (six months ended 30 June 2023)
FY2024 (twelve months ended 30 June 2024) vs FY2023 (twelve months ended 30 June 2023)

Statements of Comprehensive Income

Revenue	2H2024	2H2023	+/- (-)		FY2024	FY2023	+/- (-)	
	S\$'million	S\$'million	S\$'million	%	S\$'million	S\$'million	S\$'million	%
Metals	23.7	22.4	1.3	6	44.7	50.0	(5.3)	(11)
Engineering	34.5	26.3	8.2	31	62.4	46.8	15.6	33
Scaffolding	3.2	5.4	(2.2)	(41)	7.8	10.5	(2.7)	(26)
	61.4	54.1	7.3	13	114.9	107.3	7.6	7

The Group's revenue rose by 7%, or S\$7.6 million, reaching S\$114.9 million in FY2024 (FY2023: S\$107.3 million) and increased by 13%, or S\$7.3 million, to S\$61.4 million in 2H2024 (2H2023: S\$54.1 million). This growth in both the periods under review was primarily driven by the strong performance of the Engineering segment. However, it was partially offset by a decline in sales within the Metals and Scaffolding segments.

Since 2022, the ongoing recovery in the offshore, marine, and oil & gas industries, along with the Group's diversification into these related businesses, has led to strong growth in the Group's Engineering segment in FY2024. Revenue for this segment increased by 33%, or S\$15.6 million, to S\$62.4 million in FY2024 (FY2023: S\$46.8 million) and by 31%, or S\$8.2 million, to S\$34.5 million in 2H2024 (2H2023: S\$26.3 million).

Despite a 6%, or S\$1.3 million, increase in sales from the Metals segment, reaching S\$23.7 million in 2H2024 (2H2023: S\$22.4 million), annual sales for the Metals segment decreased by 11%, or S\$5.3 million, to S\$44.7 million in FY2024 (FY2023: S\$50.0 million). This decline was primarily due to intense competition and the ongoing softening of prices for both new steel and scrap metal.

The Scaffolding segment recorded a reduction in revenue of 26%, or S\$2.7 million, to S\$7.8 million in FY2024 (FY2023: S\$10.5 million) and 41%, or S\$2.2 million, to S\$3.2 million in 2H2024 (2H2023: S\$5.4 million) as operations normalised with the resolution of construction backlogs caused by Covid-19 pandemic.



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2. Review of performance of the Group (continued)

Statements of Comprehensive Income (continued)

Geographical information

Geographically, Singapore remains the main contributor to the Group's revenue, accounting for 81% or S\$93.0 million of revenue in FY2024 (FY2023: 78% or S\$83.6 million) and 83% or S\$50.7 million in 2H2024 (2H2023: 80% or S\$43.5 million). Overseas sales declined to S\$21.9 million in FY2024, down from S\$23.7 million in FY2023 and this was primarily attributed to lower overseas sales generated by the Engineering segment.

Gross profit margin

The Group's gross profit rose by 14% to S\$31.3 million in FY2024 (FY2023: S\$27.4 million) and 6% to S\$14.9 million in 2H2024 (2H2023: S\$14.0 million) due mainly to the higher revenue and improved performance of the Engineering segment.

The Group experienced an improvement in its gross profit margins for FY2024, increasing to 27.2%, compared to 25.5% in FY2023 which was mainly due to the improved performance of the Engineering segment. However, the gross profit margin for 2H2024 inched lower to 24.3% from 25.8% from 2H2023 mainly caused by the fall in revenue from the Scaffolding segment.

Other income

Higher other income in FY2023 and 2H2023 amounting to S\$7.3 million and S\$4.7 million respectively compared to S\$6.0 million and S\$2.7 million in FY2024 and 2H2024 respectively was mainly due to a non-recurring gain on disposal of a subsidiary corporation in February 2023 of S\$1.4 million.

Administrative expenses

Administrative expenses increased by 11%, from S\$15.3 million in FY2023 to S\$17.0 million in FY2024. This increase was primarily driven by a S\$1.2 million rise in staff-related costs due to the expansion within the Engineering segment, along with a general increase in payroll and enhanced performance incentives tied to the Group's improved performance. Additionally, depreciation expenses increased by S\$0.3 million, and there was a S\$0.2 million rise in travel and related expenses to support business expansion.

Other operating expenses

Other operating expenses decreased by 15% from S\$4.7 million in FY2023 to S\$4.0 million in FY2024 and by 29% from S\$2.8 million in 2H2023 to S\$2.0 million in 2H2024. The decrease was primarily attributed to a S\$0.4 million reduction in loss allowance on financial assets at amortised cost and a S\$1.0 million reversal of loss allowance made in prior year. The decrease was partly offset by a S\$0.3 million increase in the depreciation of right-of-use assets and a S\$0.5 million increase in the fair value loss on investment property.

Tax expenses

Tax expense increased in FY2024 mainly attributed to tax provision for higher profit for this financial year.



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2. Review of performance of the Group (continued)

Review of Financial Position

Statement of Financial Position as at 30 June 2024

Assets

Increase in property, plant and equipment of S\$5.3 million was mainly attributed to the progressive construction of new buildings, replacement of rental material and purchase of machinery and related assets totaling to S\$13.3 million during FY2024. These were partly offset by depreciation charges of S\$4.8 million and disposal of plant and equipment and transfer of damaged rental materials to inventories with a net value of S\$3.2 million.

Decrease in right-of-use assets of S\$2.2 million was mainly due to the depreciation charge in FY2024.

Decrease in investment property of S\$0.9 million was attributed to the fair value loss on investment property as at 30 June 2024.

Increase in trade and other receivables of S\$5.4 million was primarily due to 1) a S\$3.1 million rise in trade and other receivables and contract assets driven by higher sales and increased progress claims close to the financial year end in the Engineering segment, 2) a S\$1.0 million increase in advance payments to suppliers for materials required for engineering projects, and 3) a S\$1.3 million increase in deposits and other receivables related to option money and stamp duty paid for the proposed acquisition of a leasehold property.

Liabilities

Decrease in trade and other payables of S\$6.9 million was mainly due to the payment of a S\$6.1 million dividend to the former owners of a subsidiary corporation acquired in FY2023. In addition, a lesser purchase of rental material near the end of FY2024 compared to FY2023 resulted in a S\$1.0 million decline in trade payables. These decreases were partially offset by a S\$0.3 million increase in deposit received from customer.

A slight increase in borrowings as at 30 June 2024 was due to the drawdown of new loans and bills payable associated with increased business activities. However, this increase was largely offset by repayments made throughout the financial year.

Decrease in lease liabilities was primarily due to the repayment made during the financial year.



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2. Review of performance of the Group (continued)

Review of Financial Position (continued)

Statement of Cash Flows

The net cash generated from operating activities decreased from S\$15.1 million in FY2023 to S\$14.2 million in FY2024. This was mainly due to the payment of a S\$6.1 million dividend to the former owners of a subsidiary corporation acquired in FY2023. This was partially offset by the increased operating cash flows before movement in working capital attributed to the improved performance of profit in FY2024.

Net cash used in investing activities amounted to S\$14.0 million in FY2024, as compared to S\$1.3 million in FY2023. The increased purchases during FY2024 mainly comprised the progressive construction of new buildings for S\$3.1 million, the acquisition of machinery for S\$4.6 million and the replacement of rental materials for S\$4.6 million. Additionally, a payment of the remaining consideration for the acquisition of a subsidiary acquired in FY2023, amounting to S\$1.3 million, was made.

Net cash used in financing activities in both FY2024 and FY2023 was primarily due to the repayment of bank borrowings, settlement of lease liabilities and dividend payments to shareholders.

The Group's cash and cash equivalents decreased by S\$5.7 million in FY2024 compared to FY2023. Consequently, the net gearing of the Group (defined as the ratio of the aggregate of interest-bearing loans net of cash and cash equivalents to total equity) rose to 11.2%, up from 5.4% one year ago, due mainly to the overall reduction in cash and cash equivalents.

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

Not applicable.

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

Metals

Despite ongoing price softening and intense competition in the new steel and scrap metal markets, steel leasing has seen steady growth since we shifted our focus. This decision has reinforced the Group's position as a versatile service provider. The Group remains cautiously optimistic about the performance of this division.

Scaffolding

The scaffolding business continues to deliver stable profits for the Group and is expected to sustain its current performance moving forward.

Engineering

The Group continues to expand regionally in the oil & gas, offshore and marine engineering industry, whilst continually optimising costs, enhancing operational efficiency, and fostering synergistic relations amongst the diverse business units. The Engineering segment's revenue and profit have gradually increased in the last few years. As a result, the management maintains a positive outlook about the prospects of this segment.



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5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes. The Directors are pleased to declare a tax exempt one-tier final cash dividend of 1.30 cent per share (FY2023: 5.00 cents per share) in respect of the full financial year ended 30 June 2024. The date of final dividend paid is to be announced at a later date.

Name of Dividend	Final Dividend FY2024	Final Dividend FY2023
Dividend type	Cash	Cash
Dividend amount per share	1.30 cents	5.00 cents
Tax rate	One tier tax-exempt	One tier tax-exempt
Number of ordinary shares (Note 20)	118,134,300	39,378,100

	Latest full financial year (in S\$'000)	Previous full financial year (in S\$'000)
Proposed final dividend	1,536	1,969
Total	1,536	1,969

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes. A tax exempt one-tier final cash dividend of 5.00 cents per share was declared in respect of the full financial year ended 30 June 2023.

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

6. Interested person transactions

The Group does not have a general mandate from shareholders of the Company for Interested Person Transactions.

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

The Company has received 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 of the SGX-ST.



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

The Group	2024 S\$'000	2023 S\$'000
Revenue reported for the first half year	53,530	53,170
Profit after tax reported for the first half year	7,040	5,513
Revenue reported for the second half year	61,395	54,126
Profit after tax reported for the second year	5,689	5,629

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes of duties and position held, if any, during the financial year
Mr Ang Jun Long	33	Son of Executive Chairman and Chief Executive Officer and substantial shareholder, Mr. Ang Yu Seng, and nephew of Executive Director and substantial shareholder, Mr. Ang Yew Chye.	<p>Director, Engineering Division.</p> <p>Since 31 August 2022, he has held the official position of Director of the Engineering division, overseeing all operation within the Group's Engineering segment.</p> <p>The Engineering companies under his purview include:</p> <ul style="list-style-type: none"> - Gee Sheng Machinery & Engineering, - Transvictory Group, - Applied Engineering, - Promoter Hydraulics, - Marshal Systems, and - Fastweld Engineering & Construction. 	No changes of duties and position held during the financial year.

BY ORDER OF THE BOARD

ANG YU SENG

Executive Chairman and Chief Executive Officer

26 August 2024