



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023

CHOO CHIANG HOLDINGS LTD.

Incorporated in the Republic of Singapore
Company Registration Number: 201426379D

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TABLE OF CONTENTS

	Page
Condensed Interim Consolidated Statement of Profit or Loss	3
Condensed Interim Statement of Financial Position	4
Condensed Interim Statements of Changes in Equity	5
Condensed Interim Consolidated Statement of Cash Flows	7
Notes to the Condensed Interim Consolidated Financial Statements	9
Other information required by Appendix 7C of the Listing Rule	23

Condensed Interim Consolidated Statement of Profit or Loss For the twelve months ended 31 December 2023

	Note	The Group					
		6 months ended			12 months ended		
		31.12.23	31.12.22	Change	31.12.23	31.12.22	Change
	\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	4	47,260	46,512	1.6	91,006	87,587	3.9
Cost of sales		(32,812)	(32,335)	1.5	(63,573)	(62,256)	2.1
Gross profit		14,448	14,177	1.9	27,433	25,331	8.3
Other operating income		415	224	85.3	1,038	439	136.4
Administrative and selling expenses		(7,400)	(7,308)	1.3	(13,774)	(13,012)	5.9
Other operating expenses		(803)	(919)	(12.6)	(1,733)	(1,737)	(0.2)
Finance costs		(64)	(58)	10.3	(116)	(113)	2.7
Profit before income tax	5	6,596	6,116	7.8	12,848	10,908	17.8
Income tax expense	6	(1,229)	(1,098)	11.9	(2,307)	(1,890)	22.1
Profit for the year, representing total comprehensive income for the period attributable to owners of the Company		5,367	5,018	7.0	10,541	9,018	16.9
Earnings per share attributable to shareholders of the Company:	7						
- Basic (Singapore cents)		2.58	2.42	6.6	5.08	4.34	17.1
- Diluted (Singapore cents)		2.58	2.42	6.6	5.08	4.34	17.1

Condensed Interim Statement of Financial Position

	Note	Group As at		Company As at	
		31.12.23 \$'000	31.12.22 \$'000	31.12.23 \$'000	31.12.22 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		30,563	23,270	414	999
Trade receivables		6,169	5,959	6,166	2,173
Other receivables and prepayments		525	732	15,262	16,153
Financial assets at fair value through profit or loss	15	1,308	1,355	-	-
Inventories	8	20,816	21,591	-	-
Total current assets		59,381	52,907	21,842	19,325
Non-current assets					
Property, plant and equipment	9	6,827	7,124	-	-
Investment properties		12,200	12,533	-	-
Club membership		131	150	-	-
Investments in subsidiaries		-	-	2,110	2,110
Right-of-use assets		3,140	2,420	-	-
Total non-current assets		22,298	22,227	2,110	2,110
Total assets		81,679	75,134	23,952	21,435
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables		9,410	9,375	-	-
Other payables and accruals		3,216	2,856	112	159
Contract liabilities	10	72	217	-	-
Lease liabilities	11	503	430	-	-
Income tax payable		2,284	1,923	47	40
Total current liabilities		15,485	14,801	159	199
Non-current liabilities					
Lease liabilities	11	2,811	2,699	-	-
Deferred tax liabilities		75	91	-	-
Total non-current liabilities		2,886	2,790	-	-
Total liabilities		18,371	17,591	159	199
Capital and reserves					
Share capital	12	8,020	8,020	8,020	8,020
Treasury shares	12	(89)	(89)	(89)	(89)
Retained earnings		55,377	49,612	15,862	13,305
Total equity		63,308	57,543	23,793	21,236
Total liabilities and equity		81,679	75,134	23,952	21,435

Condensed Interim Statement of Changes in Equity

The Group	Share capital	Treasury shares	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2022	8,020	(59)	45,372	53,333
Profit for the year, representing total comprehensive income for the period	-	-	9,018	9,018
<i>Transactions with owners, recognised directly in equity</i>				
Purchase of treasury shares	-	(30)	-	(30)
Dividends paid (Note 13)	-	-	(4,778)	(4,778)
Balance as at 31 December 2022	8,020	(89)	49,612	57,543
Balance as at 1 January 2023	8,020	(89)	49,612	57,543
Profit for the year, representing total comprehensive income for the period	-	-	10,541	10,541
<i>Transactions with owners, recognised directly in equity</i>				
Dividends paid (Note 13)	-	-	(4,776)	(4,776)
Balance as at 31 December 2023	8,020	(89)	55,377	63,308

Condensed Interim Statement of Changes in Equity (cont'd)

The Company	Share capital	Treasury shares	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2022	8,020	(59)	12,781	20,742
Profit for the period, representing total comprehensive income for the period	-	-	5,302	5,302
<i>Transactions with owners, recognised directly in equity</i>				
Purchase of treasury shares	-	(30)	-	(30)
Dividends paid (Note 13)	-	-	(4,778)	(4,778)
Balance as at 31 December 2022	<u>8,020</u>	<u>(89)</u>	<u>13,305</u>	<u>21,236</u>
Balance as at 1 January 2023	8,020	(89)	13,305	21,236
Profit for the period, representing total comprehensive income for the period	-	-	7,333	7,333
<i>Transactions with owners, recognised directly in equity</i>				
Dividends paid (Note 13)	-	-	(4,776)	(4,776)
Balance as at 31 December 2023	<u>8,020</u>	<u>(89)</u>	<u>15,862</u>	<u>23,793</u>

Condensed Interim Consolidated Statement of Cash Flows
For the twelve months ended 31 December 2023

	The Group	
	12 months ended	
	31.12.23	31.12.22
	\$'000	\$'000
Operating activities:		
Profit before income tax	12,848	10,908
Adjustments for:		
Interest expenses of lease liabilities	116	113
Interest income	(682)	(100)
Depreciation of property, plant and equipment	411	496
Depreciation of investment properties	333	332
Depreciation of right-of-use assets	622	601
Amortisation of club membership	19	17
Loss allowance on trade receivables	215	42
Bad debts recovered	(6)	(5)
Allowance for stock obsolescence	313	-
Dividend income from financial assets at fair value through profit or loss	(10)	(11)
Fair value gain on financial assets at fair value through profit or loss	(23)	(28)
Gain on disposal of financial assets at fair value through profit or loss	(12)	-
Loss/(Gain) on disposal of property, plant and equipment	1	(3)
Gain on disposal of right-of-use asset	-	(121)
Operating cash flows before changes in working capital	14,145	12,241
Trade receivables	(419)	(713)
Other receivables and prepayments	207	63
Inventories	462	(2,680)
Trade payables	35	1,213
Other payables and accruals	360	243
Contract liabilities	(145)	57
Cash flows generated from operations	14,645	10,424
Income tax paid	(1,962)	(1,860)
Interest received	682	100
Net cash generated from operating activities	13,365	8,664
Investing activities:		
Purchase of property, plant and equipment	(115)	(491)
Purchase of right-of-use assets (Note A)	(572)	-
Dividend income from financial assets at fair value through profit or loss	75	53
Proceeds from disposal of property, plant and equipment	-	3
Proceeds from disposal of financial assets at fair value through profit or loss	114	29
Purchase of financial assets at fair value through profit or loss	(97)	(95)
Net cash flows used in investing activities	(595)	(501)

Condensed Interim Consolidated Statement of Cash Flows
For the twelve months ended 31 December 2023 (cont'd)

	The Group	
	12 months ended	12 months ended
	31.12.23	31.12.22
	\$'000	\$'000
Financing activities:		
Purchase of treasury shares	-	(30)
Repayment of lease liabilities	(585)	(574)
Proceeds from disposal of right-of-use asset	-	208
Dividends paid (Note 13)	(4,776)	(4,778)
Interest paid	(116)	(113)
Net cash flows used in financing activities	(5,477)	(5,287)
Net increase in cash and cash equivalents	7,293	2,876
Cash and cash equivalents at beginning of the period	23,270	20,394
Cash and cash equivalents at end of the period	30,563	23,270
Note A		
Additions to right-of-use assets	1,341	317
Less:		
Acquired under lease	(769)	(317)
Net cash outflow for purchase of right-of-use assets	572	-

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporation Information

Choo Chiang Holdings Ltd. (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”). The Company is an investment holding company.

The primary activities of the Group and the Company are those relating to sales and retail of electrical products and accessories, as well as rental income derived from its property investment.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2023.

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

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency, and all values presented are rounded to the nearest thousand (“\$’000”), unless otherwise indicated.

2.1 New and amended standards adopted by the Group

During the current financial period, the Group and the Company have adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2023:

- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*

The adoption of the above amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the year ending 31 December 2023. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

2.2 Use of judgments and estimates

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

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

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

3. Seasonal operations

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

4. Segment and revenue information

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8.

4.1 Disaggregation of Revenue

	The Group			
	6 months ended		12 months ended	
	31.12.23	31.12.22	31.12.23	31.12.22
	\$'000	\$'000	\$'000	\$'000
<u>Segment revenue</u>				
Sales of goods	46,973	46,250	90,452	87,067
Rental income	287	262	554	520
	<u>47,260</u>	<u>46,512</u>	<u>91,006</u>	<u>87,587</u>
<u>Timing of revenue recognition</u>				
At a point in time:				
Sales of goods	46,973	46,250	90,452	87,067
Over time:				
Rental income	287	262	554	520
	<u>47,260</u>	<u>46,512</u>	<u>91,006</u>	<u>87,587</u>

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4. Segment and revenue information (cont'd)

A breakdown of sales as follows:-

	The Group		Change
	12 months ended		
	31.12.23	31.12.22	
	\$'000	\$'000	%
(a) Sales reported for first half year	43,746	41,075	6.5
(b) Operating profit after income tax before deducting non-controlling interests reported for first half year	5,174	4,000	29.4
(c) Sales reported for second half year	47,260	46,512	1.6
(d) Operating profit after income tax before deducting non-controlling interests reported for second half year	5,367	5,018	7.0

4.2 Reportable segment

The Group is currently organised into two main business activities. The two main business activities are Distribution Business and Property Investment Business.

The principal assets employed by the Group are located in Singapore. Accordingly, no other segmental information by geographical segment is presented.

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4.2 Reportable segment (cont'd)

Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
6 months ended 31 December 2023			
Revenue			
External sales of goods	46,973	-	46,973
Rental income	-	287	287
Segment revenue	46,973	287	47,260
Cost of sales			
External purchases	(32,591)	-	(32,591)
Cost of property maintenance	-	(221)	(221)
Segment cost of sales	(32,591)	(221)	(32,812)
Results			
Segment result	14,382	66	14,448
Other operating income	415	-	415
Administrative and selling expenses	(7,376)	(24)	(7,400)
Other operating expenses	(803)	-	(803)
Finance costs	(64)	-	(64)
Profit before income tax	6,554	42	6,596
Income tax expense			(1,229)
Profit after income tax			5,367
Assets			
Segment assets	68,933	12,305	81,238
Unallocated assets			441
Combined total assets			81,679
Liabilities			
Segment liabilities	17,936	280	18,216
Unallocated liabilities			155
Combined total liabilities			18,371
Other information			
Purchase of property, plant and equipment	11	-	11
Addition of right-of-use assets	1,159	-	1,159
Depreciation of property, plant and equipment	197	-	197
Depreciation of right-of-use assets	323	-	323
Depreciation of investment properties	-	166	166
Amortisation of club membership	10	-	10

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4.2 Reportable segment (cont'd)

Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
6 months ended 31 December 2022			
Revenue			
External sales of goods	46,250	-	46,250
Rental income	-	262	262
Segment revenue	46,250	262	46,512
Cost of sales			
External purchases	(32,118)	-	(32,118)
Cost of property maintenance	-	(217)	(217)
Segment cost of sales	(32,118)	(217)	(32,335)
Results			
Segment result	14,132	45	14,177
Other operating income	224	-	224
Administrative and selling expenses	(7,298)	(10)	(7,308)
Other operating expenses	(919)	-	(919)
Finance costs	(58)	-	(58)
Profit before income tax	6,081	35	6,116
Income tax expense			(1,098)
Profit after income tax			5,018
Assets			
Segment assets	61,177	12,858	74,035
Unallocated assets			1,099
Combined total assets			75,134
Liabilities			
Segment liabilities	17,171	226	17,397
Unallocated liabilities			194
Combined total liabilities			17,591
Other information			
Purchase of property, plant and equipment	390	-	390
Addition of right-of-use assets	69	-	69
Depreciation of property, plant and equipment	246	-	246
Depreciation of right-of-use assets	298	-	298
Depreciation of investment properties	-	165	165
Amortisation of club membership	9	-	9

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4.2 Reportable segment (cont'd)

Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
<u>12 months ended 31 December 2023</u>			
Revenue			
External sales of goods	90,452	-	90,452
Rental income	-	554	554
Segment revenue	90,452	554	91,006
Cost of sales			
External purchases	(63,135)	-	(63,135)
Cost of property maintenance	-	(438)	(438)
Segment cost of sales	(63,135)	(438)	(63,573)
Results			
Segment result	27,317	116	27,433
Other operating income	1,038	-	1,038
Administrative and selling expenses	(13,724)	(50)	(13,774)
Other operating expenses	(1,733)	-	(1,733)
Finance costs	(116)	-	(116)
Profit before income tax	12,782	66	12,848
Income tax expense			(2,307)
Profit after income tax			10,541
Assets			
Segment assets	68,933	12,305	81,238
Unallocated assets			441
Combined total assets			81,679
Liabilities			
Segment liabilities	17,936	280	18,216
Unallocated liabilities			155
Combined total liabilities			18,371
Other information			
Purchase of property, plant and equipment	115	-	115
Addition of right-of-use assets	1,341	-	1,341
Depreciation of property, plant and equipment	411	-	411
Depreciation of right-of-use assets	622	-	622
Depreciation of investment properties	-	333	333
Amortisation of club membership	19	-	19

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4.2 Reportable segment (cont'd)

Business segment information

	Distribution business	Property investment business	Total
	\$'000	\$'000	\$'000
<u>12 months ended 31 December 2022</u>			
Revenue			
External sales of goods	87,067	-	87,067
Rental income	-	520	520
Segment revenue	87,067	520	87,587
Cost of sales			
External purchases	(61,821)	-	(61,821)
Cost of property maintenance	-	(435)	(435)
Segment cost of sales	(61,821)	(435)	(62,256)
Results			
Segment result	25,246	85	25,331
Other operating income	439	-	439
Administrative and selling expenses	(12,981)	(31)	(13,012)
Other operating expenses	(1,737)	-	(1,737)
Finance costs	(113)	-	(113)
Profit before income tax	10,854	54	10,908
Income tax expense			(1,890)
Profit after income tax			9,018
Assets			
Segment assets	61,177	12,858	74,035
Unallocated assets			1,099
Combined total assets			75,134
Liabilities			
Segment liabilities	17,171	226	17,397
Unallocated liabilities			194
Combined total liabilities			17,591
Other information			
Purchase of property, plant and equipment	491	-	491
Addition of right-of-use assets	317	-	317
Depreciation of property, plant and equipment	496	-	496
Depreciation of right-of-use assets	601	-	601
Depreciation of investment properties	-	332	332
Amortisation of club membership	17	-	17

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

5. Profit before income tax

5.1 Significant items

	The Group			
	6 months ended		12 months ended	
	31.12.23	31.12.22	31.12.23	31.12.22
	\$'000	\$'000	\$'000	\$'000
Profit before income tax is arrived after charging/(crediting):				
Government grant	(10)	(19)	(103)	(69)
Interest income	(400)	(81)	(682)	(100)
Bad debt recovered	(6)	-	(6)	(5)
Dividend income from financial assets at fair value through profit or loss ("FVTPL")	(4)	(48)	(10)	(53)
Cost of inventories included in expenses	32,591	32,118	63,135	61,821
Loss allowance on stock obsolescence	104	-	313	-
Loss allowance on trade receivables	63	42	215	42
Depreciation of property, plant and equipment	197	246	411	496
Depreciation of investment properties	166	165	333	332
Depreciation of right-of-use assets	323	298	622	601
Amortisation of club membership	10	9	19	17
Net foreign exchange loss/(gain)	29	121	(25)	138
Net fair value loss/(gain) on financial assets at FVTPL	(12)	(20)	(23)	(28)
Net gain on disposal of financial assets at FVTPL	-	-	(12)	-
Interest expenses of lease liabilities	64	58	116	113

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

5.2 Related party transactions

There are no material related party transactions apart those disclosed elsewhere in the condensed interim financial statements and other information required under listing manual.

6. Income tax expense

	The Group			
	6 months ended		12 months ended	
	31.12.23	31.12.22	31.12.23	31.12.22
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
Current year	1,205	1,131	2,283	1,923
Under provision in prior year	40	7	40	7
	<u>1,245</u>	<u>1,138</u>	<u>2,323</u>	<u>1,930</u>
Deferred tax expense				
Origination and reversal of temporary differences	(16)	(41)	(16)	(41)
Under provision in prior year	-	1	-	1
	<u>(16)</u>	<u>(40)</u>	<u>(16)</u>	<u>(40)</u>
Total	<u>1,229</u>	<u>1,098</u>	<u>2,307</u>	<u>1,890</u>

7. Earnings per share

	The Group			
	6 months ended		12 months ended	
	31.12.23	31.12.22	31.12.23	31.12.22
Earnings per ordinary share ("EPS")				
Profit attributable to owners of the Company (\$'000)	5,367	5,018	10,541	9,018
Weighted average number of ordinary shares / Number of ordinary shares ('000)	207,657	207,657	207,657	207,695
Basic and diluted EPS (Singapore cents)	<u>2.58</u>	<u>2.42</u>	<u>5.08</u>	<u>4.34</u>

The weighted average number of shares takes into account the changes as a result from share buy-backs transacted during the respective financial period. Fully diluted EPS and the basic EPS for the financial periods presented in the table above are the same as the Company did not have any outstanding instruments convertible into rights to subscribe for, and options in respect of its shares during these financial periods.

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

8. Inventories

	The Group	
	As at	
	31.12.23	31.12.22
	\$'000	\$'000
At cost:		
- Finished goods	22,435	22,552
- Goods in transit	76	421
	<u>22,511</u>	<u>22,973</u>
Less: Allowance for stock obsolescence	<u>(1,695)</u>	<u>(1,382)</u>
	<u>20,816</u>	<u>21,591</u>
Movement in the allowance for stock obsolescence:		
Balance as at 1 January	1,382	2,161
Written off	-	(779)
Charged to profit or loss	313	-
Balance as at 31 December	<u>1,695</u>	<u>1,382</u>

9. Property, plant and equipment

During the financial year ended 31 December 2023, the Group acquired assets amounting to \$115,000 (31 December 2022: \$491,000) and disposed of assets with the carrying amount of \$1,000 (31 December 2022: Nil).

10. Contract liabilities

Contract liabilities relate to advanced payment from a customer. Revenue relating to sale of goods is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer.

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

11. Lease liabilities

	As at 31.12.23		As at 31.12.22	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
<u>Amount repayable in one year or less, or on demand</u>				
Lease liabilities	80	423	37	393
<u>Amount repayable after one year</u>				
Lease liabilities	132	2,679	171	2,528

Details of any collaterals

As at 31.12.23 and 31.12.22

Lease liabilities are secured by the lessors' title to the leased assets.

12. Share capital and treasury shares

	The Group and the Company			
	31.12.23	31.12.22	31.12.23	31.12.22
	Number of issued shares		\$'000	
Balance as at 1 January	208,000,000	208,000,000	8,020	8,020
Less: Treasury shares	(343,300)	(343,300)	(89)	(89)
Balance as at 31 December	207,656,700	207,656,700	7,931	7,931

Treasury shares

The Company did not conduct any share buy-back in the financial year ended 31 December 2023.

During the financial year 31 December 2022, the Company has bought back 85,700 shares by way of market acquisition and all shares acquired are held as treasury shares. The latest share buyback for the financial period was purchased and announced on 30 June 2022. Following the purchase, the Company has 343,300 treasury shares and equivalent to 0.17% of the total number of outstanding issued shares as at 31 December 2022 and 31 December 2023.

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

12. Share capital and treasury shares (cont'd)

The Company had adopted the Choo Chiang Performance Share Plan prior to its listing on the Catalist in July 2015. As at 31 December 2022 and 31 December 2023, no share awards were granted under this performance share plan. As at 31 December 2022 and 31 December 2023, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company.

The total number of issued shares excluding treasury shares as at 31 December 2023 and 31 December 2022 was 207,656,700 shares.

There were no sales, transfers, disposals, cancellation and/or use of treasury shares as at 31 December 2023 and 31 December 2022.

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

13. Dividends paid

	The Group	
	Financial Year	
	2023	2022
	\$'000	\$'000
Dividends paid on ordinary shares:		
Final exempt (one tier) dividend for 2022:		
1.2 (2021: 1.3) cents per share	2,492	2,701
Interim exempt (one tier) dividend for 2023:		
1.1 (2022: 1.0) cents per share	2,284	2,077
	<u>4,776</u>	<u>4,778</u>

14. Net Asset Value

	The Group		The Company	
	As at		As at	
	31.12.23	31.12.22	31.12.23	31.12.22
Net Asset Value ("NAV")				
Net assets (\$'000)	63,308	57,543	23,793	21,236
Number of issued shares excluding treasury shares ('000)	207,657	207,657	207,657	207,657
NAV per ordinary share (Singapore cents)	<u>30.49</u>	<u>27.71</u>	<u>11.46</u>	<u>10.23</u>

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

15. Financial assets and financial liabilities

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

	Note	The Group		The Company	
		As at		As at	
		31.12.23	31.12.22	31.12.23	31.12.22
		\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss					
Quoted equity instruments		278	321	-	-
Unquoted equity instruments		1,030	1,034	-	-
		<u>1,308</u>	<u>1,355</u>	<u>-</u>	<u>-</u>
Financial assets at amortised cost					
Cash and cash equivalents		30,563	23,270	414	999
Trade receivables		6,169	5,959	6,166	2,173
Other receivables		159	362	15,237	16,086
		<u>36,891</u>	<u>29,591</u>	<u>21,817</u>	<u>19,258</u>
Financial liabilities at amortised cost					
Trade payables		8,903	8,928	-	-
Other payables and accruals		3,046	2,732	112	159
Lease liabilities	11	3,314	3,129	-	-
		<u>15,263</u>	<u>14,789</u>	<u>112</u>	<u>159</u>

Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**)

Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

15. Financial assets and financial liabilities (cont'd)

The following table presented the assets measured at fair value:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group as at 31 December 2023				
Financial assets at FVTPL				
- Quoted equity instruments ⁽¹⁾	278	-	-	278
- Unquoted equity instruments ⁽²⁾	-	1,030	-	1,030
	278	1,030	-	1,308
Group as at 31 December 2022				
Financial assets at FVTPL				
- Quoted equity instruments ⁽¹⁾	321	-	-	321
- Unquoted equity instruments ⁽²⁾	-	1,034	-	1,034
	321	1,034	-	1,355

(1) The quoted equity instruments classified at FVTPL have no fixed maturity date or coupon rate and are denominated in Singapore dollar. The fair values of these instruments are based on closing quoted market prices on the last market day of the financial year. These investments classified as Level 1 fair value hierarchy.

(2) The unquoted equity instruments are investments in unquoted equity instruments classified at FVTPL relates to investment in one private fund in Singapore and have no fixed maturity date or coupon rate and are denominated in Singapore dollars. The fair value of the unquoted equity shares was determined by reference to (i) the initial value thereof being the amount expended in the acquisition thereof; (ii) the price of the relevant investment as quoted by a person, firm or institution making a market in that investment; and the sale prices of recent transactions in the same or similar investments, valuations of comparable investments. These investments classified as Level 2 fair value hierarchy.

16. Subsequent events

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

Other Information Required by Appendix 7C of the Listing Rule

1. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed. There is no auditors' report issued (including any qualifications or emphasis of a matter).

The Company has an unqualified opinion for its most recently audited financial statements for the financial year ended 31 December 2022.

2. Review of performance of the Group

Review of financial performance

Revenue

The Group's revenue is derived from sales and retail of electrical products and accessories in Singapore ("**Distribution Business**") and rental income from its investment properties in Singapore ("**Property Investment**").

Total revenue increased by \$3,419,000 or 3.9%, from \$87,587,000 for the financial year ended 31 December 2022 ("**FY2022**") to \$91,006,000 for the financial year ended 31 December 2023 ("**FY2023**"), mainly due to an increase in the revenue from the Distribution Business segment.

- ***Distribution Business***
Revenue from Distribution Business segment increased by \$3,385,000 or 3.9%, from \$87,067,000 in FY2022 to \$90,452,000 in FY2023. The increase was mainly due to the (i) the growth in construction industry which brought strong demand for electrical products and accessories; and (ii) upward adjustment of selling prices for certain electrical products and accessories in FY2023.
- ***Property Investment***
Rental income from the Property Investment segment increased by \$34,000 or 6.5%, from \$520,000 in FY2022 to \$554,000 in FY2023. All properties were fully leased out in FY2023 and FY2022.

Cost of sales

Cost of sales increased by \$1,317,000 or 2.1%, from \$62,256,000 in FY2022 to \$63,573,000 in FY2023, which is in line with the increase in revenue.

- **Distribution Business**

Cost of sales of the Distribution Business segment increased by \$1,314,000 or 2.1%, from \$61,821,000 in FY2022 to \$63,135,000 in FY2023, which is generally in line with the increase in revenue for this segment. In FY2023, allowance for stock obsolescence arising from phased-out of certain electrical products.

- **Property Investment**

Cost of sales of the Property Investment segment increased marginally by \$3,000 or 0.7%, from \$435,000 in FY2022 to \$438,000 in FY2023, which is generally in line with the increase in revenue for this segment.

Gross profit and gross profit margin

Gross profit increased by \$2,102,000 or 8.3% from \$25,331,000 in FY2022 to \$27,433,000 in FY2023. Gross profit margin has been stable and there was a marginal increase of 1.2% from 28.9% in FY2022 to 30.1% in FY2023.

The gross profit margin of the Distribution Business segment increased marginally by 1.2% from approximately 29.0% in FY2022 to 30.2% in FY2023.

The gross profit margin of the Property Investment segment increased marginally by 4.6% from 16.3% in FY2022 to 20.9% in FY2023.

Other operating income

Other operating income increased by \$599,000 or 136.4%, from \$439,000 in FY2022 to \$1,038,000 in FY2023. The increase in other operating income mainly due to increase in (i) interest income; (ii) government grant, such as Productivity Solutions Grant and Wage Credit Scheme; and (iii) gain on foreign exchange from strengthening of Singapore dollar against United States dollar.

Administrative and selling expenses

Administrative and selling expenses increased by \$762,000 or 5.9%, from \$13,012,000 in FY2022 to \$13,774,000 in FY2023. The increase in administrative and selling expenses was mainly due to an increase in (i) staff cost and staff welfare; (ii) transportation expenses; and (iii) repairs and maintenance of fire protection system.

Other operating expenses

Other operating expenses decreased marginally by \$4,000 or 0.2%, from \$1,737,000 in FY2022 to \$1,733,000 in FY2023.

Finance costs

Finance costs in relation to interest expense on lease liabilities increased marginally by \$3,000 or 2.7% from \$113,000 in FY2022 to \$116,000 in FY2023.

Profit before income tax

As a result of the reasons mentioned above, the Group's profit before income tax increased by \$1,940,000 or 17.8% from \$10,908,000 in FY2022 to \$12,848,000 in FY2023.

Review of financial position***Current assets***

Current assets increased by \$6,474,000 from \$52,907,000 as at 31 December 2022 to \$59,381,000 as at 31 December 2023. The increase in current assets was mainly due to an increase in cash and bank balances of \$7,293,000 and trade receivables of \$210,000. These increases were partially offset by the decrease in inventories of \$775,000, other receivables and prepayments of \$207,000 and investment in financial assets at FVTPL of \$47,000.

Non-current assets

Non-current assets increased by \$71,000 from \$22,227,000 as at 31 December 2022 to \$22,298,000 as at 31 December 2023. The increase in non-current assets was mainly due to the increase of right-of-use assets of \$720,000 mainly arising from renewed of leases and acquired of motor vehicle. The increase was partially offset by the decrease in investment properties of \$333,000, property, plant and equipment of \$297,000 and club membership of \$19,000.

Current liabilities

Current liabilities increased by \$684,000 from \$14,801,000 as at 31 December 2022 to \$15,485,000 as at 31 December 2023. The increase in current liabilities was mainly due to an increase in other payables and accruals of \$360,000, provision for taxation of \$361,000, trade payables of \$35,000, and current portion of lease liabilities of \$73,000. The increases were partially offset by the decrease in contract liabilities of \$145,000.

Non-current liabilities

Non-current liabilities increased by \$96,000 from \$2,790,000 as at 31 December 2022 to \$2,886,000 as at 31 December 2023. The increase in non-current liabilities is mainly due to the increase in the non-current portion of lease liabilities of \$112,000. The increase was partially offset by the decrease in deferred tax liability of \$16,000.

Review of cash flow management

Net cash generated from operating activities

In FY2023, the Group generated net cash inflow from operating activities of approximately \$13,365,000, which was a result of operating cash flows before changes in working capital of approximately \$14,145,000, net working capital inflows of approximately \$500,000, income tax paid of approximately \$1,962,000 and interest received of approximately \$682,000.

Net cash used in investing activities

In FY2023, the Group's net cash outflow for investing activities amounted to approximately \$595,000, mainly due (i) purchases of property, plant and equipment of \$115,000; (ii) purchases of financial assets at FVTPL of \$97,000; and (iii) purchase of right-of-use assets of \$572,000. These were partially offset by (i) proceeds from disposal of financial assets at FVTPL of \$114,000; and (ii) dividend income from financial assets at FVTPL of \$75,000.

Net cash used in financing activities

In FY2023, the Group's net cash outflow for financing activities amounted to approximately \$5,477,000, mainly due to (i) dividends payment of \$4,776,000; and (ii) lease liabilities and interest payments of \$701,000.

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

There has not been any forecast or prospect statement in relation to the Group's results for FY2023 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.

Subject to, *inter alia*, market conditions, availability of good location and other relevant business considerations, it is the Group's current intention to continue to expand its retail network in Singapore and extend its services in providing direct electrical and lighting solutions for developments and projects within Singapore via the CCM brand. On the product level, the Group also intends to reinforce and strengthen its market position in Singapore by widening the range of products sold under its "CCM" and "CRM" brands.

We remain committed to bring good value to our customers and explore business opportunities so as to increase our revenue and profit.

5. Dividend information

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Current financial period reported on

The Directors are pleased to recommend a final dividend of 1.5 Singapore cents per share. The final dividend is subjected to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held in April 2024.

Together with the interim dividend of 1.1 Singapore cents per share that was paid on 30 August 2023, the total dividends declared by the Group for FY2023 are as follows:

Name of dividend	Interim dividend	Final dividend
Dividend type	Cash	Cash
Dividend per ordinary share	1.1 Singapore cents	1.5 Singapore cents
Total annual dividend	\$2,284,224	\$3,114,851
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

Previous corresponding period of the Immediately Preceding Financial Year

Name of dividend	Interim dividend	Final dividend
Dividend type	Cash	Cash
Dividend per ordinary share	1.0 Singapore cents	1.2 Singapore cents
Total annual dividend	\$2,077,333	\$2,491,880
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

(b) The date the dividend is payable

Subject to shareholders' approval of the final dividend for FY2023 at the AGM, the payment date will be announced at a later date.

(c) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined

Subject to shareholders' approval of the final dividend for FY2023 at the AGM, the record date and the books closure date for determining shareholders' entitlement to the final dividend will be announced at a later date.

6. Interested person transactions

The Group did not obtain any general mandate from the Company's shareholders in respect of interested person transactions.

The Company's Executive Chairman and CEO, Lim Teck Chuan, had provided personal guarantees to the Singapore Housing & Development Board in order that the Group may secure certain lease agreements. Lim Teck Chuan did not receive any benefit in kind, commission or interest from the Group for providing these personal guarantees.

7. 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)

The Company hereby confirms that it has already procured undertakings from all of its Directors and executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

8. Disclosure on Acquisitions and Realisation of Shares pursuant to Catalist Rule 706(A)

There were no acquisition or realisation of shares in any of the Group's subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during the full financial year ended 31 December 2023.

9. **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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties and the year the position was first held	Details of changes in duties and positions held, if any, during the year
Wilson Foo	52	Nephew of Lim Teck Chuan (Executive Chairman and Chief Executive Officer) and Lim Teck Seng (Executive Director).	Chief Operating Officer since March 2022. Responsible for the overall management of the business.	Nil
Josephine Tay	54	Spouse of Lim Teck Seng (Executive Director).	Administrative Manager since 1991. Responsible for all aspects of human resources and administrative function of the Group.	Nil
Andy Tay	51	Brother-in-law of Lim Teck Seng (Executive Director).	Head of Sales (Retail) since February 2020. Responsible for developing and implementing retail sales strategies of the Group.	Nil
Ann Lim	38	Daughter of Lim Teck Chuan (Executive Chairman and Chief Executive Officer) and niece of Lim Teck Seng (Executive Director)	Marketing and Communications Manager since February 2020. Responsible for marketing and business development related matters of the Group.	Nil



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Company Reg. No. 201426379D
GST Reg. No. 201426379D

BY ORDER OF THE BOARD

Lim Teck Chuan
Executive Chairman and Chief Executive Officer

Singapore

27 February 2024