



Ellipsiz Ltd
(Co. Reg. No. 199408329R)
and its subsidiaries

Condensed Interim Consolidated Financial Statements
and Dividend Announcement
For the six months ended 31 December 2022

The following definitions apply throughout this announcement:

- 1H – First half year from 1 July to 31 December of the respective financial years.
- FY – Financial year ended or ending 30 June, as the case may be.
- NM – Not meaningful.
- SFRS(I) – Singapore Financial Reporting Standards (International).

A. Condensed interim consolidated statement of comprehensive income

	Note	Group		+ / (-) %
		1HFY2023 \$'000	1HFY2022 \$'000	
Revenue	E5	28,355	28,735	(1)
Cost of revenue		(22,654)	(22,467)	1
Gross profit		<u>5,701</u>	<u>6,268</u>	(9)
Other income	E6	535	355	51
Fair value gain on investment property		103	1,678	(94)
Distribution expenses		(1,800)	(1,965)	(8)
Administrative expenses		(4,467)	(3,851)	16
Other expenses	E6	<u>-</u>	<u>(64)</u>	(100)
Results from operating activities		<u>72</u>	<u>2,421</u>	(97)
Finance costs		(17)	(13)	31
Finance income	E7	457	50	>300
Share of results of joint venture (net of tax)		<u>(14)</u>	<u>110</u>	NM
Profit before tax		<u>498</u>	<u>2,568</u>	(81)
Tax expense	E8	<u>(311)</u>	<u>(422)</u>	(26)
Profit for the period		<u>187</u>	<u>2,146</u>	(91)
Other comprehensive income				
<i>Item that is or may be reclassified subsequently to profit or loss (net of tax)</i>				
Exchange differences arising from translation of financial statements of foreign operations		(2,539)	668	NM
<i>Item that will not be reclassified to profit or loss (net of tax)</i>				
Net change in fair value of financial assets at fair value through other comprehensive income		<u>(610)</u>	<u>423</u>	NM
Total other comprehensive income for the period, net of tax		<u>(3,149)</u>	<u>1,091</u>	NM
Total comprehensive income for the period		<u>(2,962)</u>	<u>3,237</u>	NM

A. Condensed interim consolidated statement of comprehensive income (cont'd)

	Note	Group		+ / (-)
		1HFY2023	1HFY2022	%
		\$'000	\$'000	
Profit/(Loss) attributable to:				
Owners of the Company		1,306	1,594	(18)
Non-controlling interests		(1,119)	552	NM
Profit for the period		<u>187</u>	<u>2,146</u>	(91)
Total comprehensive income attributable to:				
Owners of the Company		(1,354)	2,559	NM
Non-controlling interests		(1,608)	678	NM
Total comprehensive income for the period		<u>(2,962)</u>	<u>3,237</u>	NM
Earnings per share				
	E17			
- Basic (cents)		0.78	0.96	(19)
- Diluted (cents)		<u>0.78</u>	<u>0.96</u>	(19)

B. Condensed interim statements of financial position

	Note	Group		Company	
		31.12.2022	30.06.2022	31.12.2022	30.06.2022
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Plant and equipment		2,120	1,978	2	4
Investment property	E9	22,407	24,202	-	-
Intangible assets and goodwill	E10	22,245	22,375	82	101
Right-of-use assets	E11	6,793	993	-	-
Subsidiaries		-	-	31,385	31,385
Joint venture		104	121	-	-
Financial assets	E12	11,039	12,896	8,097	9,704
Amounts due from related parties		-	-	23,061	14,296
Deferred tax assets		8	13	-	-
		<u>64,716</u>	<u>62,578</u>	<u>62,627</u>	<u>55,490</u>
Current assets					
Trade and other receivables		14,151	14,919	118	52
Inventories		8,211	4,540	-	-
Amounts due from related parties		326	334	4,596	631
Cash and cash equivalents	E14	58,604	61,681	34,321	47,900
		<u>81,292</u>	<u>81,474</u>	<u>39,035</u>	<u>48,583</u>
Total assets		<u>146,008</u>	<u>144,052</u>	<u>101,662</u>	<u>104,073</u>
Equity attributable to owners of the Company					
Share capital	E15	89,566	89,566	89,566	89,566
Treasury shares	E15	(126)	(126)	(126)	(126)
Reserves		(15,042)	(12,165)	(470)	107
Retained earnings		36,221	36,365	10,525	11,849
		<u>110,619</u>	<u>113,640</u>	<u>99,495</u>	<u>101,396</u>
Non-controlling interests		11,960	8,142	-	-
Total equity		<u>122,579</u>	<u>121,782</u>	<u>99,495</u>	<u>101,396</u>
Non-current liabilities					
Lease liabilities		593	525	-	-
Provisions		174	176	-	-
Deferred tax liabilities		715	804	-	-
		<u>1,482</u>	<u>1,505</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables		19,169	18,150	878	1,486
Amounts due to related parties		1,568	1,539	1,289	1,191
Lease liabilities		369	480	-	-
Provisions		242	119	-	-
Income tax payable		599	477	-	-
		<u>21,947</u>	<u>20,765</u>	<u>2,167</u>	<u>2,677</u>
Total liabilities		<u>23,429</u>	<u>22,270</u>	<u>2,167</u>	<u>2,677</u>
Total equity and liabilities		<u>146,008</u>	<u>144,052</u>	<u>101,662</u>	<u>104,073</u>

C. Condensed interim statements of changes in equity

Group	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance as at 1 July 2022	89,566	(126)	(11,648)	(57)	(460)	36,365	113,640	8,142	121,782
Total comprehensive income for the period									
Profit/(Loss) for the period	-	-	-	-	-	1,306	1,306	(1,119)	187
Other comprehensive income									
Exchange differences arising from translation of financial statements of foreign operations	-	-	-	-	(2,050)	-	(2,050)	(489)	(2,539)
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	(610)	-	-	(610)	-	(610)
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	(217)	-	217	-	-	-
Total other comprehensive income, net of tax	-	-	-	(827)	(2,050)	217	(2,660)	(489)	(3,149)
Total comprehensive income for the period	-	-	-	(827)	(2,050)	1,523	(1,354)	(1,608)	(2,962)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Final dividend of 1.00 cent per share in respect of 2022	-	-	-	-	-	(1,667)	(1,667)	-	(1,667)
Total contributions by and distributions to owners	-	-	-	-	-	(1,667)	(1,667)	-	(1,667)
Changes in ownership interests in subsidiaries									
Capital injections by non-controlling interests	-	-	-	-	-	-	-	5,426	5,426
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	5,426	5,426
Total transactions with owners	-	-	-	-	-	(1,667)	(1,667)	5,426	3,759
Balance as at 31 December 2022	89,566	(126)	(11,648)	(884)	(2,510)	36,221	110,619	11,960	122,579

C. Condensed interim statements of changes in equity (cont'd)

Group	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance as at 1 July 2021	89,566	(126)	(11,648)	105	(419)	36,237	113,715	7,045	120,760
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	1,594	1,594	552	2,146
Other comprehensive income									
Exchange differences arising from translation of financial statements of foreign operations	-	-	-	-	542	-	542	126	668
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	423	-	-	423	-	423
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	(271)	-	271	-	-	-
Total other comprehensive income, net of tax	-	-	-	152	542	271	965	126	1,091
Total comprehensive income for the period	-	-	-	152	542	1,865	2,559	678	3,237
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Final dividend of 2.00 cents per share in respect of 2021	-	-	-	-	-	(3,333)	(3,333)	-	(3,333)
Total contributions by and distributions to owners	-	-	-	-	-	(3,333)	(3,333)	-	(3,333)
Changes in ownership interest in a subsidiary									
Capital injection by non-controlling interest	-	-	-	-	-	-	-	344	344
Total changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	344	344
Total transactions with owners	-	-	-	-	-	(3,333)	(3,333)	344	(2,989)
Balance as at 31 December 2021	89,566	(126)	(11,648)	257	123	34,769	112,941	8,067	121,008

C. Condensed interim statements of changes in equity (cont'd)

Company	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2022	89,566	(126)	107	11,849	101,396
Total comprehensive income for the period					
Profit for the period	-	-	-	126	126
Other comprehensive income					
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	(360)	-	(360)
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	(217)	217	-
Total other comprehensive income, net of tax	-	-	(577)	217	(360)
Total comprehensive income for the period	-	-	(577)	343	(234)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Final dividend of 1.00 cent per share in respect of 2022	-	-	-	(1,667)	(1,667)
Total contributions by and distributions to owners	-	-	-	(1,667)	(1,667)
Total transactions with owners	-	-	-	(1,667)	(1,667)
Balance as at 31 December 2022	89,566	(126)	(470)	10,525	99,495
Company	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2021	89,566	(126)	29	14,683	104,152
Total comprehensive income for the period					
Loss for the period	-	-	-	(418)	(418)
Other comprehensive income					
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	400	-	400
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	(271)	271	-
Total other comprehensive income, net of tax	-	-	129	271	400
Total comprehensive income for the period	-	-	129	(147)	(18)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Final dividend of 2.00 cents per share in respect of 2021	-	-	-	(3,333)	(3,333)
Total contributions by and distributions to owners	-	-	-	(3,333)	(3,333)
Total transactions with owners	-	-	-	(3,333)	(3,333)
Balance as at 31 December 2021	89,566	(126)	158	11,203	100,801

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		1HFY2023 \$'000	1HFY2022 \$'000
Cash flows from operating activities			
Profit for the period		187	2,146
Adjustments for:			
Amortisation of intangible assets	E6	114	99
Depreciation of plant and equipment	E6	223	230
Depreciation of right-of-use assets	E6	418	285
Dividend income from financial assets	E6	(244)	(243)
Fair value gain on investment property	E9	(103)	(1,678)
Finance costs		17	13
Finance income	E7	(457)	(50)
Inventories written down	E6	-	46
Provision for onerous contracts		134	-
Gain on disposal of plant and equipment, net	E6	-	(20)
Share of results of joint venture (net of tax)		14	(110)
Tax expense	E8	311	422
Operating cash flows before working capital changes		<u>614</u>	<u>1,140</u>
Changes in:			
Amounts due from/(to) related parties		37	(535)
Inventories		(3,711)	1,076
Trade and other receivables		653	(12)
Trade and other payables		<u>1,126</u>	<u>(477)</u>
Cash (used in)/generated from operations		(1,281)	1,192
Interest received		390	46
Tax paid		<u>(239)</u>	<u>(209)</u>
Net cash (used in)/generated from operating activities		<u>(1,130)</u>	<u>1,029</u>
Cash flows from investing activities			
Dividends received from financial assets	E6	244	243
Return of capital from a financial asset		-	155
Refundable deposit paid	D-1	-	(500)
Land premium and ancillary costs paid	D-2	(5,929)	-
Purchase of intangible assets		(24)	(139)
Purchase of investment property		-	(1,347)
Purchase of plant and equipment		(380)	(288)
Purchase of financial assets		(463)	(2,757)
Proceeds from disposal of plant and equipment		-	34
Proceeds from capital grants		40	-
Proceeds from disposal of financial assets		<u>1,710</u>	<u>1,031</u>
Net cash used in investing activities		<u>(4,802)</u>	<u>(3,568)</u>

D. Condensed interim consolidated statement of cash flows (cont'd)

	Note	Group	
		1HFY2023	1HFY2022
		\$'000	\$'000
Cash flows from financing activities			
Capital injections by non-controlling interests		5,426	344
Dividends paid		(1,667)	(3,333)
Payment of principal portion of lease liabilities		(333)	(296)
Interest paid		(17)	(13)
Net cash generated from/(used in) financing activities		<u>3,409</u>	<u>(3,298)</u>
Net decrease in cash and cash equivalents		(2,523)	(5,837)
Cash and cash equivalents at beginning of period		61,681	64,404
Effects of exchange rate fluctuations on cash held		(554)	120
Cash and cash equivalents at end of period		<u>58,604</u>	<u>58,687</u>

- D-1** The Company paid a refundable deposit of \$500,000 in November 2021 upon executing a conditional sale and purchase agreement to acquire a 20% interest in ISE Capital Management Pte Ltd ("ICM"), which holds a 70% interest in ISE Foods Holdings Pte Ltd ("IFH").
- D-2** IFH paid land premium and ancillary costs of \$5,929,000 in July 2022 for 3 plots of land with a total approximate land area of 121,000 square metres for the development of an egg layer farm, a day-old-chick hatchery and a parent layer farm in Singapore.

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Ellipsiz Ltd (the “Company”) is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. Its registered office is at 54 Serangoon North Avenue 4 #05-02 Singapore 555854. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 comprised the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are the holding of investments and the provision of management services.

The principal activities of its significant subsidiaries are:

- a) provision of solutions for in-circuit and functional testing, distribution and trading of scientific instruments and electronic equipment, provision of related technical services and support, and trading of consumable products;
- b) provision of customised systems and solutions for test automation, high precision automated assembly process for fibre and lens, and full automated wafer level testing;
- c) property investment and development; and
- d) production and distribution of fresh eggs¹.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated 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 its performance since the last annual financial statements for the year ended 30 June 2022.

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

In preparing the condensed interim consolidated financial statements, the Group has applied the same accounting policies and methods of computation as those of its audited financial statements for the year ended 30 June 2022 which were prepared in accordance with SFRS(I).

2.1. New and amended standards adopted by the Group

In the current financial period, the Group has adopted all new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 July 2022. The adoption of these standards did not have any material effect on the financial performance or financial position of the Group.

¹ The development of the egg farm is at its planning stage.

E. Notes to the condensed interim consolidated financial statements (cont'd)

2. Basis of preparation (cont'd)

2.2. Significant accounting judgements, estimates and assumptions

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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 30 June 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. Operating segments

The Group has the following reportable segments:

- Distribution and Services Solutions ("DSS")
- Automated Precision System Solutions ("APSS")
- Property Investment and Development
- Agri-food

The Group determines its operating segments based on internal reports of the components of the Group that are regularly reviewed by the Group's Chief Executive Officer (the chief operating decision maker) for performance assessment and to determine resources allocation.

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

Reportable segments

Group	Distribution and Services Solutions		Automated Precision System Solutions		Property Investment and Development		Agri-food		Eliminations		Consolidated	
	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and expenses												
Total revenue from external customers	26,985	26,140	1,370	2,571	-	-	-	-	-	-	28,355	28,711
Inter-segment revenue	14	14	13	11	-	-	-	-	(27)	(25)	-	-
	<u>26,999</u>	<u>26,154</u>	<u>1,383</u>	<u>2,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27)</u>	<u>(25)</u>	<u>28,355</u>	<u>28,711</u>
Unallocated corporate revenue											-	24
											<u>28,355</u>	<u>28,735</u>
Segment results	<u>2,339</u>	<u>1,064</u>	<u>(610)</u>	<u>350</u>	<u>190</u>	<u>1,576</u>	<u>(1,157)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762</u>	<u>2,990</u>
Unallocated corporate results											<u>(690)</u>	<u>(569)</u>
											<u>72</u>	<u>2,421</u>
Share of results of joint venture	(14)	110	-	-	-	-	-	-	-	-	<u>(14)</u>	<u>110</u>
Profit before finance income/(costs) and tax expense											58	2,531
Finance costs											(17)	(13)
Finance income											457	50
Tax expense											(311)	(422)
Non-controlling interests											<u>1,119</u>	<u>(552)</u>
Profit for the period attributable to owners of the Company											<u>1,306</u>	<u>1,594</u>

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

Reportable segments (cont'd)

Group	Distribution and Services Solutions		Automated Precision System Solutions		Property Investment and Development		Agri-food		Eliminations		Consolidated	
	1HFY2023 \$'000	1HFY2022 \$'000	1HFY2023 \$'000	1HFY2022 \$'000	1HFY2023 \$'000	1HFY2022 \$'000	1HFY2023 \$'000	1HFY2022 \$'000	1HFY2023 \$'000	1HFY2022 \$'000	1HFY2023 \$'000	1HFY2022 \$'000
Assets and liabilities												
Segment assets	47,467	41,352	7,043	6,756	27,640	30,109	23,308	-	(735)	(449)	104,723	77,768
Investment in joint venture	104	118	-	-	-	-	-	-	-	-	104	118
Tax recoverables	136	62	-	-	-	-	-	-	-	-	136	62
Deferred tax assets	8	28	-	-	-	-	-	-	-	-	8	28
Unallocated corporate and other assets											41,037	59,133
Total assets											<u>146,008</u>	<u>137,109</u>
Segment liabilities	16,808	11,999	2,791	1,666	391	414	1,968	-	(735)	(449)	21,223	13,630
Tax liabilities	598	411	156	245	560	606	-	-	-	-	1,314	1,262
Unallocated corporate and other liabilities											892	1,209
Total liabilities											<u>23,429</u>	<u>16,101</u>
Capital expenditure												
- allocated to reportable segments	11	284	12	67	-	1,415	360	-	-	-	383	1,766
- unallocated corporate and others											21	76
Total capital expenditure											<u>404</u>	<u>1,842</u>

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

Reportable segments (cont'd)

Group	Distribution and Services Solutions		Automated Precision System Solutions		Property Investment and Development		Agri-food		Eliminations		Consolidated	
	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other items												
Amortisation of intangible assets												
- allocated to reportable segments	(18)	(12)	(85)	(87)	-	-	-	-	-	-	(103)	(99)
- unallocated corporate expenses											(11)	-
											<u>(114)</u>	<u>(99)</u>
Dividend income from financial assets												
- allocated to reportable segments	-	-	-	-	138	138	-	-	-	-	138	138
- unallocated corporate income											106	105
											<u>244</u>	<u>243</u>
Depreciation of plant and equipment												
- allocated to reportable segments	(87)	(102)	(27)	(18)	-	-	-	-	-	-	(114)	(120)
- unallocated corporate expenses											(109)	(110)
											<u>(223)</u>	<u>(230)</u>
Depreciation of right-of-use assets	(233)	(221)	(62)	(64)	-	-	(123)	-	-	-	(418)	(285)
Fair value gain on investment property	-	-	-	-	103	1,678	-	-	-	-	103	1,678
Government grants, subsidies and rebates												
- allocated to reportable segments	100	31	25	37	-	-	18	-	-	-	143	68
- unallocated corporate income											7	8
											<u>150</u>	<u>76</u>

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Group	Singapore		Malaysia		China		Taiwan		Indonesia		Other Regions		Consolidated	
	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022	1HFY2023	1HFY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	16,470	14,897	2,584	4,761	6,723	6,678	2,105	2,109	-	-	473	290	28,355	28,735
Non-current segment assets	30,747	20,255	17	50	115	124	383	341	-	-	-	-	31,262	20,770
Investment property	-	-	-	-	-	-	-	-	22,407	24,246	-	-	22,407	24,246
Investments in financial assets	11,039	15,236	-	-	-	-	-	-	-	-	-	-	11,039	15,236
Deferred tax assets	8	10	-	3	-	-	-	15	-	-	-	-	8	28
Total non-current assets	41,794	35,501	17	53	115	124	383	356	22,407	24,246	-	-	64,716	60,280
Capital expenditure	397	147	5	3	2	-	-	277	-	1,415	-	-	404	1,842

E. Notes to the condensed interim consolidated financial statements (cont'd)

5. Revenue

	Group	
	1HFY2023	1HFY2022
	\$'000	\$'000
Sale of goods (transferred at a point in time)	26,678	26,530
Service income (transferred over time)	1,647	1,994
Commission (transferred at a point in time)	30	211
	<u>28,355</u>	<u>28,735</u>

6. Results from operating activities

Significant items

	Group	
	1HFY2023	1HFY2022
	\$'000	\$'000
<i>Other income</i>		
Dividend income from financial assets	244	243
Exchange gain, net	138	-
Gain on disposal of plant and equipment, net	-	20
Government grants, subsidies and rebates	150	76
Sundry income	3	16
	<u>535</u>	<u>355</u>
<i>Other expenses</i>		
Exchange loss, net	-	64
Amortisation of intangible assets	114	99
Depreciation of plant and equipment	223	230
Depreciation of right-of-use assets	418	285
Inventories written down	-	46
Operating lease expenses	47	11

7. Finance income

	Group	
	1HFY2023	1HFY2022
	\$'000	\$'000
Interest income from financial institutions	<u>457</u>	<u>50</u>

E. Notes to the condensed interim consolidated financial statements (cont'd)

8. Tax expense

	Group	
	1HFY2023	1HFY2022
	\$'000	\$'000
Current tax expense		
Current year	340	318
Withholding tax	5	3
Over provision in respect of prior years	-	(3)
	<u>345</u>	<u>318</u>
Deferred tax (credit)/expense		
Origination and reversal of temporary differences	(34)	104
Tax expense recognised in profit or loss	<u>311</u>	<u>422</u>

9. Investment property

	Group	
	31.12.2022	30.06.2022
	\$'000	\$'000
Beginning of financial period	24,202	20,632
Additions	-	1,357
Direct costs	-	127
Gain from fair value adjustment recognised in profit or loss	103	1,916
Exchange differences	(1,898)	170
End of financial period	<u>22,407</u>	<u>24,202</u>

Valuation of investment property

The investment property is stated at fair value, which was determined based on a desktop valuation performed as at 31 December 2022. The desktop valuation was carried out by KJPP Willson dan Rekan in association with Knight Frank, an independent professional valuer. Details of valuation techniques and inputs used are disclosed in Note E13 on page 23.

E. Notes to the condensed interim consolidated financial statements (cont'd)

10. Intangible assets and goodwill

Group	Computer software \$'000	Technology licence \$'000	Customer relationships	Goodwill \$'000	Total \$'000
			and backlog orders \$'000		
Cost					
At 1 July 2021	534	161	1,481	17,199	19,375
Acquisition of a subsidiary	2	-	-	4,103	4,105
Additions	132	-	-	-	132
Write-offs	-	(161)	-	-	(161)
Adjustments	-	-	(61)	-	(61)
Exchange differences	-	-	-	(2)	(2)
At 30 June 2022 and 1 July 2022	668	-	1,420	21,300	23,388
Additions	24	-	-	-	24
Adjustments	(40)	-	-	-	(40)
Exchange differences	-	-	-	(2)	(2)
At 31 December 2022	652	-	1,420	21,298	23,370
Accumulated amortisation					
At 1 July 2021	339	161	330	206	1,036
Charge for the year	40	-	158	-	198
Write-offs	-	(161)	-	-	(161)
Adjustments	-	-	(61)	-	(61)
Exchange differences	1	-	-	-	1
At 30 June 2022 and 1 July 2022	380	-	427	206	1,013
Charge for the period	35	-	79	-	114
Exchange differences	(2)	-	-	-	(2)
At 31 December 2022	413	-	506	206	1,125
Carrying amounts					
At 30 June 2022	288	-	993	21,094	22,375
At 31 December 2022	239	-	914	21,092	22,245

E. Notes to the condensed interim consolidated financial statements (cont'd)

10. Intangible assets and goodwill (cont'd)

Company	Computer software \$'000
Cost	
At 1 July 2021	29
Additions	72
At 30 June 2022 and 1 July 2022	<u>101</u>
Additions	22
Adjustments	(30)
At 31 December 2022	<u>93</u>
Accumulated amortisation	
At 1 July 2021, 30 June 2022 and 1 July 2022	-
Charge for the period	11
At 31 December 2022	<u>11</u>
Carrying amounts	
At 30 June 2022	<u>101</u>
At 31 December 2022	<u>82</u>

Goodwill arising from acquisition of a subsidiary

On 30 June 2022, Ellipsiz Agro Investments Pte Ltd ("EAIPL"), a wholly-owned subsidiary of the Company, acquired a 40% interest in ICM for a consideration of \$4,000,000. ICM holds a 70% interest in IFH which will be developing and operating the 4th egg farm in Singapore. This acquisition allows the Group to make its foray into the agri-food industry leveraging on agri-technologies and partnering with an established player and market leader in the egg business.

EAIPL had recorded a provisional goodwill of approximately \$4,103,000 as at 30 June 2022 for the acquisition of ICM. EAIPL will be carrying out a purchase price allocation ("PPA") exercise within 12 months from 30 June 2022 whereupon, the provisional goodwill may be adjusted on completion of the PPA exercise.

E. Notes to the condensed interim consolidated financial statements (cont'd)

10. Intangible assets and goodwill (cont'd)

Goodwill impairment assessment

Goodwill is allocated to the Group's cash generating units ("CGUs") as follows:

	Group	
	31.12.2022	30.06.2022
	\$'000	\$'000
DSS	15,389	15,391
APSS	1,600	1,600
Agri-food	4,103	4,103
	<u>21,092</u>	<u>21,094</u>

The recoverable amounts of the CGUs are determined annually based on value-in-use calculation. The calculation uses cash flow projections covering a five-year period, based on financial budgets and forecasts approved by management.

11. Right-of-use assets

As of 31 December 2022, the right-of-use assets comprised mainly the land premium paid to the Singapore Food Agency for the alienation of 3 plots of land to IFH. The lease term for the 3 plots of land is 30 years, commencing on 18 July 2022.

E. Notes to the condensed interim consolidated financial statements (cont'd)

12. Financial instruments by category

An analysis of the Group's and the Company's financial instruments is set out below.

	FVOCI – equity investments \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total \$'000
Group				
31.12.2022				
Assets				
Financial assets ¹	11,039	-	-	11,039
Trade and other receivables ²	-	12,112	-	12,112
Amounts due from related parties	-	326	-	326
Cash and cash equivalents	-	58,604	-	58,604
	<u>11,039</u>	<u>71,042</u>	<u>-</u>	<u>82,081</u>
Liabilities				
Trade and other payables ³	-	-	(11,166)	(11,166)
Amounts due to related parties	-	-	(1,568)	(1,568)
Lease liabilities	-	-	(962)	(962)
	<u>-</u>	<u>-</u>	<u>(13,696)</u>	<u>(13,696)</u>
30.06.2022				
Assets				
Financial assets ¹	12,896	-	-	12,896
Trade and other receivables ²	-	11,610	-	11,610
Amounts due from related parties	-	334	-	334
Cash and cash equivalents	-	61,681	-	61,681
	<u>12,896</u>	<u>73,625</u>	<u>-</u>	<u>86,521</u>
Liabilities				
Trade and other payables ³	-	-	(11,235)	(11,235)
Amounts due to related parties	-	-	(1,539)	(1,539)
Lease liabilities	-	-	(1,005)	(1,005)
	<u>-</u>	<u>-</u>	<u>(13,779)</u>	<u>(13,779)</u>

E. Notes to the condensed interim consolidated financial statements (cont'd)

12. Financial instruments by category (cont'd)

	FVOCI – equity investments \$'000	Financial assets at amortised cost \$'000	Other financial liabilities \$'000	Total \$'000
Company				
31.12.2022				
Assets				
Financial assets ¹	8,097	-	-	8,097
Trade and other receivables ²	-	97	-	97
Amounts due from related parties	-	27,657	-	27,657
Cash and cash equivalents	-	34,321	-	34,321
	<u>8,097</u>	<u>62,075</u>	<u>-</u>	<u>70,172</u>
Liabilities				
Trade and other payables ³	-	-	(866)	(866)
Amounts due to related parties	-	-	(1,289)	(1,289)
	<u>-</u>	<u>-</u>	<u>(2,155)</u>	<u>(2,155)</u>
30.06.2022				
Assets				
Financial assets ¹	9,704	-	-	9,704
Trade and other receivables ²	-	16	-	16
Amounts due from related parties	-	14,927	-	14,927
Cash and cash equivalents	-	47,900	-	47,900
	<u>9,704</u>	<u>62,843</u>	<u>-</u>	<u>72,547</u>
Liabilities				
Trade and other payables ³	-	-	(1,455)	(1,455)
Amounts due to related parties	-	-	(1,191)	(1,191)
	<u>-</u>	<u>-</u>	<u>(2,646)</u>	<u>(2,646)</u>

¹ The Group has elected to designate these financial assets at fair value through other comprehensive income ("FVOCI") as the Group intends to hold them for long-term investment purposes to generate returns and for capital appreciation. During the financial period, the Group had disposed of certain quoted equity securities for \$1,710,000 (1HFY2022: \$1,031,000). The cumulative gain arising on the disposals of \$217,000 (1HFY2022: \$271,000) was reclassified from fair value reserve to retained earnings.

² Excludes contract assets, grant receivables, tax recoverables, sales tax receivables and prepayments.

³ Excludes contract liabilities and sales tax payables.

E. Notes to the condensed interim consolidated financial statements (cont'd)

13. Fair value of assets and liabilities

Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfer between Level 1 and Level 2 and no transfer into or out of Level 3 during the financial periods.

Assets and liabilities measured at fair value

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group				
31.12.2022				
Financial assets				
Investments at FVOCI	9,509	-	1,530	11,039
Non-financial assets				
Investment property	-	-	22,407	22,407
	<u>9,509</u>	<u>-</u>	<u>23,937</u>	<u>33,446</u>
30.06.2022				
Financial assets				
Investments at FVOCI	11,130	-	1,766	12,896
Non-financial assets				
Investment property	-	-	24,202	24,202
	<u>11,130</u>	<u>-</u>	<u>25,968</u>	<u>37,098</u>
Company				
31.12.2022				
Financial assets				
Investments at FVOCI	<u>8,097</u>	<u>-</u>	<u>-</u>	<u>8,097</u>
30.06.2022				
Financial assets				
Investments at FVOCI	<u>9,704</u>	<u>-</u>	<u>-</u>	<u>9,704</u>

The fair value of investments at FVOCI categorised under Level 1 of the fair value hierarchy was based on respective last quoted market prices at the reporting date.

E. Notes to the condensed interim consolidated financial statements (cont'd)

13. Fair value of assets and liabilities (cont'd)

Level 3 fair value measurements

The following table presents the valuation techniques and key inputs used to determine the fair values of investments at FVOCI and investment property categorised under Level 3 of the fair value hierarchy.

Description	Fair value at 31.12.2022 \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Investments - Equity security (unquoted)	1,530	Quoted market prices, valuations or quotes adjusted to reflect market spreads or modelled prices	Adjustments to quotes	Not applicable
Investment property	22,407	Market approach with percentage / plus and minus method	Price of comparable properties	Indonesian Rupiah 350,000 per sqm – Indonesian Rupiah 375,000 per sqm
Description	Fair value at 30.06.2022 \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Investments - Equity security (unquoted)	1,766	Quoted market prices, valuations or quotes adjusted to reflect market spreads or modelled prices	Adjustments to quotes	Not applicable
Investment property	24,202	Market approach with percentage / plus and minus method	Price of comparable properties	Indonesian Rupiah 350,000 per sqm – Indonesian Rupiah 375,000 per sqm

The fair value of investments categorised under Level 3 of the fair value hierarchy is generally sensitive to the unobservable inputs set out above.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, amounts due from/(to) related parties, cash and cash equivalents and trade and other payables) were assumed to approximate their fair values because of the short period to maturity or that they were repriced frequently.

E. Notes to the condensed interim consolidated financial statements (cont'd)

14. Cash and cash equivalents

	Group		Company	
	31.12.2022	30.06.2022	31.12.2022	30.06.2022
	\$'000	\$'000	\$'000	\$'000
Cash at banks and in hand	18,369	18,314	1,148	5,496
Short-term deposits	40,235	43,367	33,173	42,404
	<u>58,604</u>	<u>61,681</u>	<u>34,321</u>	<u>47,900</u>

15. Share capital

	Company			
	No. of shares		Amount	
	Issued share capital	Treasury shares	Issued share capital	Treasury shares
	'000	'000	\$'000	\$'000
Beginning and end of financial period	<u>167,128</u>	<u>(460)</u>	<u>89,566</u>	<u>(126)</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. Fully paid ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The Company's issued and fully paid-up shares as at 31 December 2022 comprised 166,668,285 (30 June 2022 and 31 December 2021: 166,668,285) ordinary shares with voting rights and 459,900 (30 June 2022 and 31 December 2021: 459,900) ordinary shares (treasury shares) with no voting rights.

There were no outstanding convertibles and subsidiary holdings as at 31 December 2022 and 31 December 2021.

Treasury shares

Treasury shares are ordinary shares of the Company that are purchased and held by the Company and are presented as a component within shareholders' equity. The treasury shares held represented 0.28% (31 December 2021: 0.28%) of the total number of issued shares excluding treasury shares. There was no sale, transfer, cancellation and/or use of treasury shares as at the end of the current financial period.

16. Borrowings

The Group had no borrowings or debt securities as at 31 December 2022 and 30 June 2022.

E. Notes to the condensed interim consolidated financial statements (cont'd)

17. Earnings per share – basic and diluted

	Group	
	1HFY2023	1HFY2022
Earnings per share (cents)		
- basic and diluted	0.78	0.96

Diluted earnings per share was the same as basic earnings per share as there were no potentially dilutive ordinary shares for both the current and preceding financial periods.

18. Net asset value per share

	Group		Company	
	31.12.2022	30.06.2022	31.12.2022	30.06.2022
Net asset value per share (cents)	66.37	68.18	59.70	60.84

Net asset is defined as total equity less non-controlling interests.

19. Significant related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim consolidated financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial period:

	Group	
	1HFY2023	1HFY2022
	\$'000	\$'000
Sales and services income received/receivable from:		
- joint venture	-	25
- related parties	-	26
Purchases and service fee paid/payable to:		
- related parties	(92)	(2)
Consultancy fee paid/payable to a director	(46)	(46)

20. Subsequent event

There is no known event subsequent to 31 December 2022.

F. Other information

1. Review

The condensed interim consolidated financial statements have not been audited or reviewed by the Company's auditor.

2. Review of performance of the Group

1HFY2023 vs 1HFY2022

The Group's 1HFY2023 revenue of \$28.4 million was marginally lower than the \$28.7 million recorded in 1HFY2022. Sales of consumables had increased but sales of equipment had decreased. Gross profit margin had declined slightly by 2% from 22% to 20% due to a change in revenue mix.

Other income was \$0.5 million in 1HFY2023 compared to \$0.4 million in 1HFY2022. The breakdown of other income is provided in Note E6 on page 15.

Based on valuations carried out by an independent professional valuer as at 31 December 2022 and 31 December 2021, the Group had recorded fair value gains on investment property of \$0.1 million and \$1.7 million in 1HFY2023 and 1HFY2022 respectively.

The Group's higher distribution and administrative expenses of \$6.3 million in 1HFY2023 compared to \$5.8 million in 1HFY2022 was mainly due to the consolidation of agri-food segment.

Other expenses in 1HFY2022 comprised foreign exchange loss.

The increase in finance income was mainly due to the higher interest rate environment.

The Group's share of results of joint venture was in respect of Adell Solutions Pte Ltd for both 1HFY2023 and 1HFY2022.

Overall, the net profit after tax of \$0.2 million recorded by the Group in 1HFY2023 was lower than the net profit after tax of \$2.1 million in 1HFY2022. The lower net profit was mainly due to the lower fair value gain on investment property and the consolidation of expenses from agri-food segment. The profit attributable to shareholders in 1HFY2023 was \$1.3 million compared to \$1.5 million in 1HFY2022 as the Group's effective interest in the agri-food segment is 28%.

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

Not applicable.

F. Other information (cont'd)

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.

In the report released in November 2022, World Semiconductor Trade Statistics (“WSTS”) revised its forecast for 2022 down to a single digit 4.4% growth for the worldwide semiconductor market with a total market size of US\$580 billion, from a strong 26.2% growth in 2021. It was also expecting a decline of 4.1% in 2023. WSTS forecasted lower growth estimates as inflation rises and end markets see weaker demand, especially those exposed to consumer spending.

SEMI’s December 2022 report forecasted global sales of total semiconductor manufacturing equipment by original equipment manufacturers to reach a new high of US\$108.5 billion in 2022, rising 5.9% from the previous industry record of US\$102.5 billion in 2021. The global total semiconductor manufacturing equipment market is however expected to contract to US\$91.2 billion in 2023 before rebounding in 2024, driven by both the front-end and back-end segments. The wafer fab equipment segment, which includes wafer processing, fab facilities, and mask/reticle equipment, is projected to expand 8.3% to a new industry record of US\$94.8 billion in 2022, followed by a 16.8% contraction to US\$78.8 billion in 2023 before rebounding 17.2% to US\$92.4 billion in 2024.

The global macroeconomic and semiconductor industry conditions are expected to face challenges from inflationary pressures subduing growth in demand in 2023. The Group will stay vigilant and prudent as it continues to monitor the market situation closely.

The Group had in June 2022 acquired a 40% interest in ICM, the holding company of IFH which will be developing and operating an integrated egg production facility comprising a commercial egg farm, a day-old-chick hatchery, a parent layer farm and a parent pullet farm. In August 2022, IFH took possession of 3 plots of land alienated by the Singapore Food Agency (“SFA”) for the development of the commercial egg farm, day-old-chick hatchery and parent layer farm. It had received in-principle approval from SFA to construct the commercial egg farm which sits on a 10-hectare land in Lim Chu Kang. Construction is slated to begin in the 2nd quarter of 2023 with operations expected to commence in 2024. Meanwhile, the consolidation of the agri-food segment will increase the Group’s overall expenses which will impact the Group’s results. When fully operational, this 4th egg farm in Singapore will have capacity to produce 360 million high quality and nutritional eggs for our local consumers contributing positively to the Government’s 30-by-30 goal.

5. Dividend information

(a) Current Financial Period Reported On.

Any dividend declared for the current financial period report on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year.

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

None.

F. Other information (cont'd)

5. Dividend information (cont'd)

(c) Date payable.

Not applicable.

(d) Book closure date.

Not applicable.

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

No dividend has been declared or recommended for 1HFY2023 in consideration of capital needed for the Group's new as well as future investments.

7. Confirmation pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

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

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

The Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors which may render the condensed interim consolidated financial statements for the six months ended 31 December 2022 to be false or misleading in any material respect.

On behalf of the Board of Directors

David Ong Kim Huat
Chairman

Kelvin Lum Wen-Sum
Chief Executive Officer

9. Confirmation pursuant to Rule 720(1) of the Listing Manual.

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

By order of the Board
CHOW CHING SIAN
Company Secretary
9 February 2023