



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

Condensed Interim Consolidated Financial Statements  
and Dividend Announcement  
*For the six months ended 31 December 2023*

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**

|   |             | <b>Group</b>    |                 |                |
|---|-------------|-----------------|-----------------|----------------|
|   | <b>Note</b> | <b>1HFY2024</b> | <b>1HFY2023</b> | <b>+ / (-)</b> |
|   |             | <b>\$'000</b>   | <b>\$'000</b>   | <b>%</b>       |
| Revenue   | E5          | 25,046          | 28,355          | (12)           |
| Cost of revenue   |             | <u>(20,238)</u> | <u>(22,654)</u> | (11)           |
| <b>Gross profit</b>   |             | 4,808           | 5,701           | (16)           |
| Other income  | E6          | 695             | 535             | 30             |
| Fair value gain on investment property  |             | -               | 103             | (100)          |
| Distribution expenses   |             | (1,940)         | (1,800)         | 8              |
| Administrative expenses   |             | (4,273)         | (4,467)         | (4)            |
| Impairment of goodwill  | E11         | (1,600)         | -               | NM             |
| Other expenses  | E6          | <u>(156)</u>    | <u>-</u>        | NM             |
| <b>Results from operating activities</b>  | E6          | (2,466)         | 72              | NM             |
| Finance income  | E7          | 823             | 457             | 80             |
| Finance costs   |             | (24)            | (17)            | 41             |
| Share of results of joint venture (net of tax)  |             | <u>(19)</u>     | <u>(14)</u>     | 36             |
| <b>(Loss)/Profit before tax</b>   |             | (1,686)         | 498             | NM             |
| Tax expense   | E8          | <u>(259)</u>    | <u>(311)</u>    | (17)           |
| <b>(Loss)/Profit for the period</b>   |             | <u>(1,945)</u>  | <u>187</u>      | NM             |
| <b>Other comprehensive income</b>   |             |                 |                 |                |
| <i>Item that may be reclassified subsequently to profit or loss (net of tax)</i>              |             |                 |                 |                |
| Exchange differences arising from translation of financial statements of foreign operations   |             | <u>(1,409)</u>  | <u>(2,539)</u>  | (45)           |
| <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>(321)</u>    | <u>(610)</u>    | (47)           |
| <b>Total other comprehensive income for the period, net of tax</b>                            |             | <u>(1,730)</u>  | <u>(3,149)</u>  | (45)           |
| <b>Total comprehensive income for the period</b>  |             | <u>(3,675)</u>  | <u>(2,962)</u>  | 24             |

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

|  | <b>Note</b> | <b>Group</b>    |                 | <b>+ / (-)</b> |
|--|-------------|-----------------|-----------------|----------------|
|  |             | <b>1HFY2024</b> | <b>1HFY2023</b> | <b>%</b>       |
|  |             | <b>\$'000</b>   | <b>\$'000</b>   |                |
| <b>(Loss)/Profit attributable to:</b>              |             |                 |                 |                |
| Owners of the Company                              |             | (845)           | 1,306           | NM             |
| Non-controlling interests                          |             | <u>(1,100)</u>  | <u>(1,119)</u>  | (2)            |
| (Loss)/Profit for the period                       |             | <u>(1,945)</u>  | <u>187</u>      | NM             |
| <b>Total comprehensive income attributable to:</b> |             |                 |                 |                |
| Owners of the Company                              |             | (2,254)         | (1,354)         | 66             |
| Non-controlling interests                          |             | <u>(1,421)</u>  | <u>(1,608)</u>  | (12)           |
| Total comprehensive income for the period          |             | <u>(3,675)</u>  | <u>(2,962)</u>  | 24             |
| <b>Earnings per share</b>                          |             |                 |                 |                |
| - Basic and Diluted (cents)                        | E19         | <u>(0.51)</u>   | <u>0.78</u>     | NM             |

**B. Condensed interim statements of financial position**

|   |             | <b>Group</b>      |                   | <b>Company</b>    |                   |
|---|-------------|-------------------|-------------------|-------------------|-------------------|
|   | <b>Note</b> | <b>31.12.2023</b> | <b>30.06.2023</b> | <b>31.12.2023</b> | <b>30.06.2023</b> |
|   |             | <b>\$'000</b>     | <b>\$'000</b>     | <b>\$'000</b>     | <b>\$'000</b>     |
| <b>Non-current assets</b>                           |             |                   |                   |                   |                   |
| Plant and equipment                                 | E9          | 2,318             | 2,367             | 9                 | 11                |
| Investment property                                 | E10         | 22,569            | 23,855            | -                 | -                 |
| Intangible assets and goodwill                      | E11         | 20,485            | 22,190            | 64                | 73                |
| Right-of-use assets                                 | E12         | 6,947             | 6,659             | -                 | -                 |
| Subsidiaries  | E13         | -                 | -                 | 44,046            | 46,243            |
| Joint venture                                       |             | 51                | 72                | -                 | -                 |
| Financial assets                                    | E14         | 11,270            | 11,176            | 7,923             | 8,143             |
| Amounts due from related parties                    |             | -                 | -                 | 15,560            | 15,529            |
| Deferred tax assets                                 |             | 22                | 21                | -                 | -                 |
|   |             | <u>63,662</u>     | <u>66,340</u>     | <u>67,602</u>     | <u>69,999</u>     |
| <b>Current assets</b>                               |             |                   |                   |                   |                   |
| Inventories   |             | 5,603             | 4,567             | -                 | -                 |
| Trade and other receivables                         |             | 11,466            | 14,065            | 133               | 127               |
| Amounts due from related parties                    |             | 361               | 356               | 1,800             | 1,307             |
| Cash and cash equivalents                           | E16         | 53,458            | 55,189            | 30,471            | 31,568            |
|   |             | <u>70,888</u>     | <u>74,177</u>     | <u>32,404</u>     | <u>33,002</u>     |
| <b>Total assets</b>                                 |             | <u>134,550</u>    | <u>140,517</u>    | <u>100,006</u>    | <u>103,001</u>    |
| <b>Equity attributable to owners of the Company</b> |             |                   |                   |                   |                   |
| Share capital                                       | E17         | 89,566            | 89,566            | 89,566            | 89,566            |
| Treasury shares                                     | E17         | (233)             | (233)             | (233)             | (233)             |
| Reserves  |             | (15,865)          | (14,456)          | (1,185)           | (864)             |
| Retained earnings                                   |             | 29,781            | 32,288            | 9,901             | 12,168            |
|   |             | <u>103,249</u>    | <u>107,165</u>    | <u>98,049</u>     | <u>100,637</u>    |
| Non-controlling interests                           |             | 11,137            | 12,558            | -                 | -                 |
| <b>Total equity</b>                                 |             | <u>114,386</u>    | <u>119,723</u>    | <u>98,049</u>     | <u>100,637</u>    |
| <b>Non-current liabilities</b>                      |             |                   |                   |                   |                   |
| Lease liabilities                                   |             | 475               | 557               | -                 | -                 |
| Provisions  |             | 158               | 174               | -                 | -                 |
| Deferred tax liabilities                            |             | 693               | 738               | -                 | -                 |
|   |             | <u>1,326</u>      | <u>1,469</u>      | <u>-</u>          | <u>-</u>          |
| <b>Current liabilities</b>                          |             |                   |                   |                   |                   |
| Trade and other payables                            |             | 15,563            | 16,224            | 676               | 1,194             |
| Amounts due to related parties                      |             | 1,559             | 1,739             | 1,123             | 1,159             |
| Lease liabilities                                   |             | 843               | 375               | -                 | -                 |
| Provisions  |             | 271               | 315               | -                 | -                 |
| Income tax payable                                  |             | 602               | 672               | 158               | 11                |
|   |             | <u>18,838</u>     | <u>19,325</u>     | <u>1,957</u>      | <u>2,364</u>      |
| <b>Total liabilities</b>                            |             | <u>20,164</u>     | <u>20,794</u>     | <u>1,957</u>      | <u>2,364</u>      |
| <b>Total equity and liabilities</b>                 |             | <u>134,550</u>    | <u>140,517</u>    | <u>100,006</u>    | <u>103,001</u>    |

**C. Condensed interim statements of changes in equity  
For the period ended 31 December 2023**

| Group  | Share<br>capital<br>\$'000 | Treasury<br>shares<br>\$'000 | Capital<br>reserve<br>\$'000 | Fair value<br>reserve<br>\$'000 | Foreign<br>currency<br>translation<br>reserve<br>\$'000 | Retained<br>earnings<br>\$'000 | Total<br>attributable<br>to owners of<br>the Company<br>\$'000 | Non-<br>controlling<br>interests<br>\$'000 | Total<br>equity<br>\$'000 |
|--|----------------------------|------------------------------|------------------------------|---------------------------------|---|--------------------------------|--|--|---------------------------|
| Balance as at 1 July 2023  | 89,566                     | (233)                        | (11,648)                     | (864)                           | (1,944)   | 32,288                         | 107,165  | 12,558                                     | 119,723                   |
| <b>Total comprehensive income for the period</b>   |                            |                              |                              |                                 |   |                                |  |  |                           |
| Loss for the period  | -                          | -                            | -                            | -                               | -   | (845)                          | (845)  | (1,100)                                    | (1,945)                   |
| <b>Other comprehensive income</b>  |                            |                              |                              |                                 |   |                                |  |  |                           |
| Exchange differences arising from translation of<br>financial statements of foreign operations   | -                          | -                            | -                            | -                               | (1,088)   | -                              | (1,088)  | (321)                                      | (1,409)                   |
| Net change in fair value of financial assets at fair<br>value through other comprehensive income | -                          | -                            | -                            | (321)                           | -   | -                              | (321)  | -  | (321)                     |
| Total other comprehensive income, net of tax   | -                          | -                            | -                            | (321)                           | (1,088)   | -                              | (1,409)  | (321)                                      | (1,730)                   |
| <b>Total comprehensive income for the period</b>   | -                          | -                            | -                            | (321)                           | (1,088)   | (845)                          | (2,254)  | (1,421)                                    | (3,675)                   |
| <b>Transactions with owners, recorded directly<br/>in equity</b>                                 |                            |                              |                              |                                 |   |                                |  |  |                           |
| <b>Contributions by and distributions to owners</b>  |                            |                              |                              |                                 |   |                                |  |  |                           |
| Final dividend of 1.00 cent per share<br>in respect of 2023                                      | -                          | -                            | -                            | -                               | -   | (1,662)                        | (1,662)  | -  | (1,662)                   |
| Total contributions by and distributions to owners   | -                          | -                            | -                            | -                               | -   | (1,662)                        | (1,662)  | -  | (1,662)                   |
| <b>Total transactions with owners</b>  | -                          | -                            | -                            | -                               | -   | (1,662)                        | (1,662)  | -  | (1,662)                   |
| <b>Balance as at 31 December 2023</b>  | 89,566                     | (233)                        | (11,648)                     | (1,185)                         | (3,032)   | 29,781                         | 103,249  | 11,137                                     | 114,386                   |

**C. Condensed interim statements of changes in equity (cont'd)**  
**For the period ended 31 December 2022**

| Group  | Share<br>capital<br>\$'000 | Treasury<br>shares<br>\$'000 | Capital<br>reserve<br>\$'000 | Fair value<br>reserve<br>\$'000 | Foreign<br>currency<br>translation<br>reserve<br>\$'000 | Retained<br>earnings<br>\$'000 | Total<br>attributable<br>to owners of<br>the Company<br>\$'000 | Non-<br>controlling<br>interests<br>\$'000 | Total<br>equity<br>\$'000 |
|--|----------------------------|------------------------------|------------------------------|---------------------------------|---|--------------------------------|--|--|---------------------------|
| Balance as at 1 July 2022  | 89,566                     | (126)                        | (11,648)                     | (57)                            | (460)   | 36,365                         | 113,640  | 8,022                                      | 121,662                   |
| <b>Total comprehensive income for the period</b>   |                            |                              |                              |                                 |   |                                |  |  |                           |
| Profit/(Loss) for the period   | -                          | -                            | -                            | -                               | -   | 1,306                          | 1,306  | (1,119)                                    | 187                       |
| <b>Other comprehensive income</b>  |                            |                              |                              |                                 |   |                                |  |  |                           |
| 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)                   |
| <b>Total comprehensive income for the period</b>   | -                          | -                            | -                            | (827)                           | (2,050)   | 1,523                          | (1,354)  | (1,608)                                    | (2,962)                   |
| <b>Transactions with owners, recorded directly in equity</b>   |                            |                              |                              |                                 |   |                                |  |  |                           |
| <b>Contributions by and distributions to owners</b>  |                            |                              |                              |                                 |   |                                |  |  |                           |
| 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)                   |
| <b>Changes in ownership interests in subsidiaries</b>  |                            |                              |                              |                                 |   |                                |  |  |                           |
| Capital injections by non-controlling interests  | -                          | -                            | -                            | -                               | -   | -                              | -  | 5,426                                      | 5,426                     |
| Total changes in ownership interests in subsidiaries   | -                          | -                            | -                            | -                               | -   | -                              | -  | 5,426                                      | 5,426                     |
| <b>Total transactions with owners</b>  | -                          | -                            | -                            | -                               | -   | (1,667)                        | (1,667)  | 5,426                                      | 3,759                     |
| <b>Balance as at 31 December 2022</b>  | 89,566                     | (126)                        | (11,648)                     | (884)                           | (2,510)   | 36,221                         | 110,619  | 11,840                                     | 122,459                   |

**C. Condensed interim statements of changes in equity (cont'd)**  
**For the period ended 31 December 2023**

| Company   | Share<br>capital<br>\$'000 | Treasury<br>shares<br>\$'000 | Fair value<br>reserve<br>\$'000 | Retained<br>earnings<br>\$'000 | Total<br>equity<br>\$'000 |
|---|----------------------------|------------------------------|---------------------------------|--------------------------------|---------------------------|
| Balance as at 1 July 2023   | 89,566                     | (233)                        | (864)                           | 12,168                         | 100,637                   |
| <b>Total comprehensive income for the period</b>  |                            |                              |                                 |                                |                           |
| Loss for the period   | -                          | -                            | -                               | (605)                          | (605)                     |
| <b>Other comprehensive income</b>   |                            |                              |                                 |                                |                           |
| Net change in fair value of financial assets at fair value through other comprehensive income | -                          | -                            | (321)                           | -                              | (321)                     |
| Total other comprehensive income, net of tax  | -                          | -                            | (321)                           | -                              | (321)                     |
| <b>Total comprehensive income for the period</b>  | -                          | -                            | (321)                           | (605)                          | (926)                     |
| <b>Transactions with owners, recorded directly in equity</b>                                  |                            |                              |                                 |                                |                           |
| <b>Contributions by and distributions to owners</b>   |                            |                              |                                 |                                |                           |
| Final dividend of 1.00 cent per share in respect of 2023                                      | -                          | -                            | -                               | (1,662)                        | (1,662)                   |
| Total contributions by and distributions to owners  | -                          | -                            | -                               | (1,662)                        | (1,662)                   |
| <b>Total transactions with owners</b>   | -                          | -                            | -                               | (1,662)                        | (1,662)                   |
| <b>Balance as at 31 December 2023</b>   | <b>89,566</b>              | <b>(233)</b>                 | <b>(1,185)</b>                  | <b>9,901</b>                   | <b>98,049</b>             |

**For the period ended 31 December 2022**

| Company  | Share<br>capital<br>\$'000 | Treasury<br>shares<br>\$'000 | Fair value<br>reserve<br>\$'000 | Retained<br>earnings<br>\$'000 | Total<br>equity<br>\$'000 |
|--|----------------------------|------------------------------|---------------------------------|--------------------------------|---------------------------|
| Balance as at 1 July 2022  | 89,566                     | (126)                        | 107                             | 11,849                         | 101,396                   |
| <b>Total comprehensive income for the period</b>   |                            |                              |                                 |                                |                           |
| Profit for the period  | -                          | -                            | -                               | 126                            | 126                       |
| <b>Other comprehensive income</b>  |                            |                              |                                 |                                |                           |
| 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)                     |
| <b>Total comprehensive income for the period</b>   | -                          | -                            | (577)                           | 343                            | (234)                     |
| <b>Transactions with owners, recorded directly in equity</b>   |                            |                              |                                 |                                |                           |
| <b>Contributions by and distributions to owners</b>  |                            |                              |                                 |                                |                           |
| 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)                   |
| <b>Total transactions with owners</b>  | -                          | -                            | -                               | (1,667)                        | (1,667)                   |
| <b>Balance as at 31 December 2022</b>  | <b>89,566</b>              | <b>(126)</b>                 | <b>(470)</b>                    | <b>10,525</b>                  | <b>99,495</b>             |

**D. Condensed interim consolidated statement of cash flows**

|  | Note | Group        |                |
|--|------|--------------|----------------|
|  |      | 1HFY2024     | 1HFY2023       |
|  |      | \$'000       | \$'000         |
| <b>Cash flows from operating activities</b>                              |      |              |                |
| (Loss)/Profit for the period   |      | (1,945)      | 187            |
| Adjustments for:   |      |              |                |
| Amortisation of intangible assets  | E6   | 109          | 114            |
| Depreciation of plant and equipment                                      | E6   | 241          | 223            |
| Depreciation of right-of-use assets                                      | E6   | 441          | 418            |
| Dividend income from financial assets                                    | E6   | (274)        | (244)          |
| Fair value gain on investment property                                   |      | -            | (103)          |
| Fair value gain on financial assets at fair value through profit or loss | E6   | (314)        | -              |
| Finance income   | E7   | (823)        | (457)          |
| Finance costs  |      | 24           | 17             |
| Gain on disposal of plant and equipment, net                             | E6   | (2)          | -              |
| Loss on termination of a lease   | E6   | 2            | -              |
| Impairment of goodwill   | E11  | 1,600        | -              |
| Provision for onerous contracts  | E6   | 31           | 134            |
| Provisions written back  | E6   | (75)         | -              |
| Share of results of joint venture (net of tax)                           |      | 19           | 14             |
| Tax expense  | E8   | 259          | 311            |
| <b>Operating cash flows before working capital changes</b>               |      | <b>(707)</b> | <b>614</b>     |
| Changes in:  |      |              |                |
| Amounts due from/(to) related parties                                    |      | (184)        | 37             |
| Inventories  |      | (1,058)      | (3,711)        |
| Trade and other receivables  |      | 2,566        | 653            |
| Trade and other payables   |      | (659)        | 1,126          |
| Cash used in operations  |      | (42)         | (1,281)        |
| Interest received  |      | 779          | 390            |
| Tax paid   |      | (306)        | (239)          |
| <b>Net cash generated from/(used in) operating activities</b>            |      | <b>431</b>   | <b>(1,130)</b> |
| <b>Cash flows from investing activities</b>                              |      |              |                |
| Dividends received from financial assets                                 | E6   | 274          | 244            |
| Leasehold land and ancillary costs                                       | D-1  | -            | (5,929)        |
| Purchase of intangible assets  |      | (3)          | (24)           |
| Purchase of plant and equipment  | E9   | (177)        | (380)          |
| Purchase of financial assets   |      | (100)        | (463)          |
| Proceeds from disposal of plant and equipment                            |      | (1)          | -              |
| Proceeds from government grants  |      | -            | 40             |
| Proceeds from disposal of financial assets                               | E14  | -            | 1,710          |
| <b>Net cash used in investing activities</b>                             |      | <b>(7)</b>   | <b>(4,802)</b> |



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

|   | Note | Group          |               |
|---|------|----------------|---------------|
|   |      | 1HFY2024       | 1HFY2023      |
|   |      | \$'000         | \$'000        |
| <b>Cash flows from financing activities</b>                   |      |                |               |
| Capital injections by non-controlling interests               |      | -              | 5,426         |
| Dividends paid  |      | (1,662)        | (1,667)       |
| Payment of principal portion of lease liabilities             |      | (337)          | (333)         |
| Interest paid   |      | (24)           | (17)          |
| <b>Net cash (used in)/generated from financing activities</b> |      | <u>(2,023)</u> | <u>3,409</u>  |
| <b>Net decrease in cash and cash equivalents</b>              |      |                |               |
| Cash and cash equivalents at beginning of period              |      | 55,189         | 61,681        |
| Effects of exchange rate fluctuations on cash held            |      | (132)          | (554)         |
| <b>Cash and cash equivalents at end of period</b>             |      | <u>53,458</u>  | <u>58,604</u> |

- D-1** ISE Foods Holdings Pte Ltd ("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.

## **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 2023 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 eggs<sup>1</sup>.

### **2. Basis of preparation**

The condensed interim consolidated financial statements for the six months 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 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 Company’s last annual financial statements for the year ended 30 June 2023.

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 2023 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 2023. The adoption of these standards did not have any material effect on the financial performance or financial position of the Group.

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<sup>1</sup> 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 and estimates**

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the 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 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.

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal 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
- Egg Production and Distribution ("EPD")

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 |            | Egg Production and Distribution |                | Eliminations |             | Consolidated   |               |
|--|-------------------------------------|---------------|--------------------------------------|--------------|-------------------------------------|------------|---------------------------------|----------------|--------------|-------------|----------------|---------------|
|  | 1HFY2024                            | 1HFY2023      | 1HFY2024                             | 1HFY2023     | 1HFY2024                            | 1HFY2023   | 1HFY2024                        | 1HFY2023       | 1HFY2024     | 1HFY2023    | 1HFY2024       | 1HFY2023      |
|  | \$'000                              | \$'000        | \$'000                               | \$'000       | \$'000                              | \$'000     | \$'000                          | \$'000         | \$'000       | \$'000      | \$'000         | \$'000        |
| <b>Revenue and expenses</b>  |                                     |               |                                      |              |                                     |            |                                 |                |              |             |                |               |
| Total revenue from external customers                              | 23,796                              | 26,985        | 1,250                                | 1,370        | -                                   | -          | -                               | -              | -            | -           | 25,046         | 28,355        |
| Inter-segment revenue  | 13                                  | 14            | 176                                  | 13           | -                                   | -          | -                               | -              | (189)        | (27)        | -              | -             |
|  | <u>23,809</u>                       | <u>26,999</u> | <u>1,426</u>                         | <u>1,383</u> | <u>-</u>                            | <u>-</u>   | <u>-</u>                        | <u>-</u>       | <u>(189)</u> | <u>(27)</u> | <u>25,046</u>  | <u>28,355</u> |
| Segment results  | <u>588</u>                          | <u>2,339</u>  | <u>(2,430)</u>                       | <u>(610)</u> | <u>71</u>                           | <u>190</u> | <u>(1,643)</u>                  | <u>(1,157)</u> | <u>-</u>     | <u>-</u>    | <u>(3,414)</u> | <u>762</u>    |
| Unallocated corporate results                                      |                                     |               |                                      |              |                                     |            |                                 |                |              |             | <u>948</u>     | <u>(690)</u>  |
|  |                                     |               |                                      |              |                                     |            |                                 |                |              |             | <u>(2,466)</u> | <u>72</u>     |
| Share of results of joint venture                                  | (19)                                | (14)          | -                                    | -            | -                                   | -          | -                               | -              | -            | -           | <u>(19)</u>    | <u>(14)</u>   |
| (Loss)/Profit before finance income/(costs) and tax expense        |                                     |               |                                      |              |                                     |            |                                 |                |              |             | <u>(2,485)</u> | <u>58</u>     |
| Finance income   |                                     |               |                                      |              |                                     |            |                                 |                |              |             | <u>823</u>     | <u>457</u>    |
| Finance costs  |                                     |               |                                      |              |                                     |            |                                 |                |              |             | <u>(24)</u>    | <u>(17)</u>   |
| (Loss)/Profit before tax   |                                     |               |                                      |              |                                     |            |                                 |                |              |             | <u>(1,686)</u> | <u>498</u>    |
| Tax expense  |                                     |               |                                      |              |                                     |            |                                 |                |              |             | <u>(259)</u>   | <u>(311)</u>  |
| Non-controlling interests  |                                     |               |                                      |              |                                     |            |                                 |                |              |             | <u>1,100</u>   | <u>1,119</u>  |
| (Loss)/Profit for the period attributable to owners of the Company |                                     |               |                                      |              |                                     |            |                                 |                |              |             | <u>(845)</u>   | <u>1,306</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 |          | Egg Production and Distribution |          | Eliminations |          | Consolidated   |                |
|---|-------------------------------------|----------|--------------------------------------|----------|-------------------------------------|----------|---------------------------------|----------|--------------|----------|----------------|----------------|
|   | 1HFY2024                            | 1HFY2023 | 1HFY2024                             | 1HFY2023 | 1HFY2024                            | 1HFY2023 | 1HFY2024                        | 1HFY2023 | 1HFY2024     | 1HFY2023 | 1HFY2024       | 1HFY2023       |
|   | \$'000                              | \$'000   | \$'000                               | \$'000   | \$'000                              | \$'000   | \$'000                          | \$'000   | \$'000       | \$'000   | \$'000         | \$'000         |
| <b>Assets and liabilities</b>               |                                     |          |                                      |          |                                     |          |                                 |          |              |          |                |                |
| Segment assets                              | 41,784                              | 47,467   | 6,439                                | 7,043    | 27,080                              | 27,640   | 21,303                          | 23,148   | (144)        | (735)    | 96,462         | 104,563        |
| Investment in joint venture                 | 51                                  | 104      | -                                    | -        | -                                   | -        | -                               | -        | -            | -        | 51             | 104            |
| Tax recoverables                            | 57                                  | 136      | -                                    | -        | -                                   | -        | -                               | -        | -            | -        | 57             | 136            |
| Deferred tax assets                         | 22                                  | 8        | -                                    | -        | -                                   | -        | -                               | -        | -            | -        | 22             | 8              |
| Unallocated corporate and other assets      |                                     |          |                                      |          |                                     |          |                                 |          |              |          | 37,958         | 41,037         |
| Total assets                                |                                     |          |                                      |          |                                     |          |                                 |          |              |          | <u>134,550</u> | <u>145,848</u> |
| Segment liabilities                         | 11,472                              | 16,808   | 4,597                                | 2,791    | 411                                 | 391      | 1,850                           | 1,928    | (144)        | (735)    | 18,186         | 21,183         |
| Income tax payable                          | 441                                 | 598      | 1                                    | 1        | 2                                   | -        | -                               | -        | -            | -        | 444            | 599            |
| Deferred tax liabilities                    | -                                   | -        | 129                                  | 155      | 564                                 | 560      | -                               | -        | -            | -        | 693            | 715            |
| Unallocated corporate and other liabilities |                                     |          |                                      |          |                                     |          |                                 |          |              |          | 841            | 892            |
| Total liabilities                           |                                     |          |                                      |          |                                     |          |                                 |          |              |          | <u>20,164</u>  | <u>23,389</u>  |
| Capital expenditure                         |                                     |          |                                      |          |                                     |          |                                 |          |              |          |                |                |
| - allocated to reportable segments          | 147                                 | 11       | 7                                    | 12       | -                                   | -        | 46                              | 360      | -            | -        | 200            | 383            |
| - unallocated corporate and others          |                                     |          |                                      |          |                                     |          |                                 |          |              |          | -              | 21             |
| Total capital expenditure                   |                                     |          |                                      |          |                                     |          |                                 |          |              |          | <u>200</u>     | <u>404</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 |          | Egg Production and Distribution |          | Eliminations |          | Consolidated |              |
|--|-------------------------------------|----------|--------------------------------------|----------|-------------------------------------|----------|---------------------------------|----------|--------------|----------|--------------|--------------|
|  | 1HFY2024                            | 1HFY2023 | 1HFY2024                             | 1HFY2023 | 1HFY2024                            | 1HFY2023 | 1HFY2024                        | 1HFY2023 | 1HFY2024     | 1HFY2023 | 1HFY2024     | 1HFY2023     |
|  | \$'000                              | \$'000   | \$'000                               | \$'000   | \$'000                              | \$'000   | \$'000                          | \$'000   | \$'000       | \$'000   | \$'000       | \$'000       |
| <b>Other items</b>   |                                     |          |                                      |          |                                     |          |                                 |          |              |          |              |              |
| Amortisation of intangible assets  |                                     |          |                                      |          |                                     |          |                                 |          |              |          |              |              |
| - allocated to reportable segments                                       | (11)                                | (18)     | (89)                                 | (85)     | -                                   | -        | -                               | -        | -            | -        | (100)        | (103)        |
| - unallocated corporate expenses   |                                     |          |                                      |          |                                     |          |                                 |          |              |          | (9)          | (11)         |
|  |                                     |          |                                      |          |                                     |          |                                 |          |              |          | <u>(109)</u> | <u>(114)</u> |
| Dividend income from financial assets                                    |                                     |          |                                      |          |                                     |          |                                 |          |              |          |              |              |
| - allocated to reportable segments                                       | -                                   | -        | -                                    | -        | 138                                 | 138      | -                               | -        | -            | -        | 138          | 138          |
| - unallocated corporate income   |                                     |          |                                      |          |                                     |          |                                 |          |              |          | 136          | 106          |
|  |                                     |          |                                      |          |                                     |          |                                 |          |              |          | <u>274</u>   | <u>244</u>   |
| Depreciation of plant and equipment                                      |                                     |          |                                      |          |                                     |          |                                 |          |              |          |              |              |
| - allocated to reportable segments                                       | (83)                                | (87)     | (25)                                 | (27)     | -                                   | -        | (22)                            | -        | -            | -        | (130)        | (114)        |
| - unallocated corporate expenses   |                                     |          |                                      |          |                                     |          |                                 |          |              |          | (111)        | (109)        |
|  |                                     |          |                                      |          |                                     |          |                                 |          |              |          | <u>(241)</u> | <u>(223)</u> |
| Depreciation of right-of-use assets                                      | (211)                               | (233)    | (62)                                 | (62)     | -                                   | -        | (168)                           | (123)    | -            | -        | (441)        | (418)        |
| Fair value gain on investment property                                   | -                                   | -        | -                                    | -        | -                                   | 103      | -                               | -        | -            | -        | -            | 103          |
| Fair value gain on financial assets at fair value through profit or loss | -                                   | -        | -                                    | -        | -                                   | -        | -                               | -        | -            | -        | 314          | -            |
| Government grants and subsidies  |                                     |          |                                      |          |                                     |          |                                 |          |              |          |              |              |
| - allocated to reportable segments                                       | 8                                   | 100      | 2                                    | 25       | -                                   | -        | -                               | 18       | -            | -        | 10           | 143          |
| - unallocated corporate income   |                                     |          |                                      |          |                                     |          |                                 |          |              |          | -            | 7            |
|  |                                     |          |                                      |          |                                     |          |                                 |          |              |          | <u>10</u>    | <u>150</u>   |
| Impairment of goodwill   | -                                   | -        | (1,600)                              | -        | -                                   | -        | -                               | -        | -            | -        | (1,600)      | -            |

**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  |               |
|---------------------------------------|---------------|---------------|-----------|-----------|------------|------------|------------|------------|---------------|---------------|---------------|----------|---------------|---------------|
|                                       | 1HFY2024      | 1HFY2023      | 1HFY2024  | 1HFY2023  | 1HFY2024   | 1HFY2023   | 1HFY2024   | 1HFY2023   | 1HFY2024      | 1HFY2023      | 1HFY2024      | 1HFY2023 | 1HFY2024      | 1HFY2023      |
|                                       | \$'000        | \$'000        | \$'000    | \$'000    | \$'000     | \$'000     | \$'000     | \$'000     | \$'000        | \$'000        | \$'000        | \$'000   | \$'000        | \$'000        |
| Total revenue from external customers | 13,522        | 16,470        | 1,746     | 2,584     | 6,595      | 6,723      | 1,724      | 2,105      | -             | -             | 1,459         | 473      | 25,046        | 28,355        |
| Non-current segment assets            | 29,336        | 30,827        | 72        | 17        | 113        | 115        | 280        | 383        | -             | -             | -             | -        | 29,801        | 31,342        |
| Investment property                   | -             | -             | -         | -         | -          | -          | -          | -          | 22,569        | 22,407        | -             | -        | 22,569        | 22,407        |
| Financial assets                      | 11,270        | 11,039        | -         | -         | -          | -          | -          | -          | -             | -             | -             | -        | 11,270        | 11,039        |
| Deferred tax assets                   | 10            | 8             | -         | -         | -          | -          | 12         | -          | -             | -             | -             | -        | 22            | 8             |
| <b>Total non-current assets</b>       | <b>40,616</b> | <b>41,874</b> | <b>72</b> | <b>17</b> | <b>113</b> | <b>115</b> | <b>292</b> | <b>383</b> | <b>22,569</b> | <b>22,407</b> | <b>-</b>      | <b>-</b> | <b>63,662</b> | <b>64,796</b> |
| Capital expenditure                   | 166           | 397           | 3         | 5         | 7          | 2          | 24         | -          | -             | -             | -             | -        | 200           | 404           |

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

**5. Revenue**

|  | <b>Group</b>    |                 |
|--|-----------------|-----------------|
|  | <b>1HFY2024</b> | <b>1HFY2023</b> |
|  | <b>\$'000</b>   | <b>\$'000</b>   |
| Sale of goods                            | 23,468          | 26,678          |
| Service income                           | 1,546           | 1,647           |
| Commission income                        | 32              | 30              |
|  | <u>25,046</u>   | <u>28,355</u>   |
| <br><b>Timing of revenue recognition</b> |                 |                 |
| At a point in time                       | 22,530          | 26,642          |
| Over time                                | 2,516           | 1,713           |
|  | <u>25,046</u>   | <u>28,355</u>   |

**6. Results from operating activities**

**Significant items**

|   | <b>Group</b>    |                 |
|---|-----------------|-----------------|
|   | <b>1HFY2024</b> | <b>1HFY2023</b> |
|   | <b>\$'000</b>   | <b>\$'000</b>   |
| <b>Other income</b>   |                 |                 |
| Dividend income from financial assets                                       | 274             | 244             |
| Exchange gain, net  | -               | 138             |
| Fair value gain on financial assets at<br>fair value through profit or loss | 314             | -               |
| Gain on disposal of plant and equipment, net                                | 2               | -               |
| Government grants and subsidies   | 10              | 150             |
| Provisions written back   | 75              | -               |
| Sundry income   | 20              | 3               |
|   | <u>695</u>      | <u>535</u>      |
| <b>Other expenses</b>   |                 |                 |
| Exchange loss, net  | 154             | -               |
| Loss on termination of a lease  | 2               | -               |
|   | <u>156</u>      | <u>-</u>        |
| Amortisation of intangible assets   | 109             | 114             |
| Depreciation of plant and equipment   | 241             | 223             |
| Depreciation of right-of-use assets   | 441             | 418             |
| Operating lease expenses  | 90              | 47              |
| Provision for onerous contracts   | 31              | 134             |



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

7. Finance income

|   | Group    |          |
|---|----------|----------|
|   | 1HFY2024 | 1HFY2023 |
|   | \$'000   | \$'000   |
| Interest income from financial institutions | 823      | 457      |

8. Tax expense

|   | Group      |            |
|---|------------|------------|
|   | 1HFY2024   | 1HFY2023   |
|   | \$'000     | \$'000     |
| <b>Current tax expense</b>                        |            |            |
| Current year                                      | 260        | 340        |
| Withholding tax                                   | 2          | 5          |
| Under provision in respect of prior years         | 11         | -          |
|   | <u>273</u> | <u>345</u> |
| <b>Deferred tax credit</b>                        |            |            |
| Origination and reversal of temporary differences | (14)       | (34)       |
| Tax expense recognised in profit or loss          | <u>259</u> | <u>311</u> |

9. Plant and equipment

During the financial period, the Group acquired assets amounting to \$197,000 (1HFY2023: \$380,000) of which \$20,000 (1HFY2023: Nil) was attributed to a non-cash provision for reinstatement cost. Assets disposed in the same period amounted to \$96,000 (1HFY2023: Nil).

10. Investment property

|  | Group         |               |
|--|---------------|---------------|
|  | 31.12.2023    | 30.06.2023    |
|  | \$'000        | \$'000        |
| Beginning of financial period                                | 23,855        | 24,202        |
| Gain from fair value adjustment recognised in profit or loss | -             | 430           |
| Exchange differences   | (1,286)       | (777)         |
| End of financial period                                      | <u>22,569</u> | <u>23,855</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 2023. The 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 E15 on page 23.

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

11. Intangible assets and goodwill

| Group  | Computer<br>software<br>\$'000 | Customer<br>relationships<br>\$'000 | Goodwill<br>\$'000 | Total<br>\$'000 |
|--|--------------------------------|-------------------------------------|--------------------|-----------------|
| <b>Cost</b>  |                                |                                     |                    |                 |
| At 1 July 2022                                     | 668                            | 1,420                               | 21,380             | 23,468          |
| Additions  | 27                             | -                                   | -                  | 27              |
| Government grants                                  | (70)                           | -                                   | -                  | (70)            |
| Exchange differences                               | (1)                            | -                                   | (2)                | (3)             |
| At 30 June 2023 and<br>1 July 2023                 | 624                            | 1,420                               | 21,378             | 23,422          |
| Additions  | 3                              | -                                   | -                  | 3               |
| Write-offs   | -                              | -                                   | (206)              | (206)           |
| Exchange differences                               | -                              | -                                   | 1                  | 1               |
| At 31 December 2023                                | 627                            | 1,420                               | 21,173             | 23,220          |
| <b>Accumulated<br/>amortisation and impairment</b> |                                |                                     |                    |                 |
| At 1 July 2022                                     | 380                            | 427                                 | 206                | 1,013           |
| Charge for the year                                | 62                             | 158                                 | -                  | 220             |
| Exchange differences                               | (1)                            | -                                   | -                  | (1)             |
| At 30 June 2023 and<br>1 July 2023                 | 441                            | 585                                 | 206                | 1,232           |
| Charge for the period                              | 29                             | 80                                  | -                  | 109             |
| Impairment   | -                              | -                                   | 1,600              | 1,600           |
| Write-offs   | -                              | -                                   | (206)              | (206)           |
| At 31 December 2023                                | 470                            | 665                                 | 1,600              | 2,735           |
| <b>Carrying amounts</b>                            |                                |                                     |                    |                 |
| At 30 June 2023                                    | 183                            | 835                                 | 21,172             | 22,190          |
| At 31 December 2023                                | 157                            | 755                                 | 19,573             | 20,485          |

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

**11. Intangible assets and goodwill (cont'd)**

| <b>Company</b>                                    | <b>Computer software<br/>\$'000</b> |
|---|-------------------------------------|
| <b>Cost</b>                                       |                                     |
| At 1 July 2022                                    | 101                                 |
| Additions   | 22                                  |
| Government grants                                 | (30)                                |
| At 30 June 2023, 1 July 2023 and 31 December 2023 | <u>93</u>                           |
| <b>Accumulated amortisation</b>                   |                                     |
| At 1 July 2022                                    | -                                   |
| Charge for the year                               | 20                                  |
| At 30 June 2023 and 1 July 2023                   | <u>20</u>                           |
| Charge for the period                             | 9                                   |
| At 31 December 2023                               | <u>29</u>                           |
| <b>Carrying amounts</b>                           |                                     |
| At 30 June 2023                                   | <u>73</u>                           |
| At 31 December 2023                               | <u>64</u>                           |

Goodwill impairment assessment

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

|      | <b>Group</b>      |                   |
|------|-------------------|-------------------|
|      | <b>31.12.2023</b> | <b>30.06.2023</b> |
|      | <b>\$'000</b>     | <b>\$'000</b>     |
| DSS  | 15,390            | 15,389            |
| APSS | -                 | 1,600             |
| EPD  | 4,183             | 4,183             |
|      | <u>19,573</u>     | <u>21,172</u>     |

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

The recoverable amounts of the CGUs are determined based on value-in-use ("VIU") calculation. The VIU calculation uses cash flow projections based on financial forecasts approved by management.

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

### **11. Intangible assets and goodwill (cont'd)**

#### Goodwill impairment assessment (cont'd)

APSS

At the reporting date, there was an indication that this CGU may be impaired. Based on management's assessment, an impairment loss on goodwill of \$1,600,000 (30 June 2023: Nil) was recognised as the recoverable amount of the CGU was determined to be lower than its carrying amount.

The key assumptions used by management for cash flow projection in the VIU calculation were:

- Average revenue growth rate of 8.0% (30 June 2023: 10.7%)
- Pre-tax discount rate of 14.1% (30 June 2023: 15.6%)
- Terminal growth rate of 2.0% (30 June 2023: 2.0%)

### **12. Right-of-use assets**

As of 31 December 2023, 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.

### **13. Subsidiaries**

#### Impairment assessment for investments in subsidiaries

During the financial period, the Company had performed impairment assessments for its investments in subsidiaries due to impairment indicator noted and recognised an impairment loss of \$2,197,000 (30 June 2023: \$361,000) for its investment in Axis-Tec Pte. Ltd. The key assumptions for the VIU calculation are disclosed in Note E11 above.

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

**14. Financial instruments by category**

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

| Group                                    | Financial<br>assets at<br>fair value<br>through other<br>comprehensive<br>income <sup>1</sup><br>\$'000 | Financial<br>assets at<br>fair value<br>through<br>profit or loss<br>("FVPL")<br>\$'000 | Financial<br>assets at<br>amortised<br>cost<br>\$'000 | Financial<br>liabilities at<br>amortised<br>cost<br>\$'000 | Total<br>\$'000 |
|--|---|---|---|--|-----------------|
| <b>31.12.2023</b>                        |   |   |   |  |                 |
| <b>Assets</b>                            |   |   |   |  |                 |
| Financial assets                         | 7,923   | 3,347   | -   | -  | 11,270          |
| Trade and other receivables <sup>2</sup> | -   | -   | 9,432   | -  | 9,432           |
| Amounts due from related parties         | -   | -   | 361   | -  | 361             |
| Cash and cash equivalents                | -   | -   | 53,458  | -  | 53,458          |
|  | <u>7,923</u>  | <u>3,347</u>  | <u>63,251</u>   | <u>-</u>   | <u>74,521</u>   |
| <b>Liabilities</b>                       |   |   |   |  |                 |
| Trade and other payables <sup>3</sup>    | -   | -   | -   | (10,466)   | (10,466)        |
| Amounts due to related parties           | -   | -   | -   | (1,559)  | (1,559)         |
| Lease liabilities                        | -   | -   | -   | (1,318)  | (1,318)         |
|  | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>(13,343)</u>  | <u>(13,343)</u> |
| <b>30.06.2023</b>                        |   |   |   |  |                 |
| <b>Assets</b>                            |   |   |   |  |                 |
| Financial assets                         | 8,143   | 3,033   | -   | -  | 11,176          |
| Trade and other receivables <sup>2</sup> | -   | -   | 11,557  | -  | 11,557          |
| Amounts due from related parties         | -   | -   | 356   | -  | 356             |
| Cash and cash equivalents                | -   | -   | 55,189  | -  | 55,189          |
|  | <u>8,143</u>  | <u>3,033</u>  | <u>67,102</u>   | <u>-</u>   | <u>78,278</u>   |
| <b>Liabilities</b>                       |   |   |   |  |                 |
| Trade and other payables <sup>3</sup>    | -   | -   | -   | (13,085)   | (13,085)        |
| Amounts due to related parties           | -   | -   | -   | (1,739)  | (1,739)         |
| Lease liabilities                        | -   | -   | -   | (932)  | (932)           |
|  | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>(15,756)</u>  | <u>(15,756)</u> |

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

14. Financial instruments by category (cont'd)

| Company                                  | Financial<br>assets at<br>fair value<br>through other<br>comprehensive<br>income <sup>1</sup><br>\$'000 | Financial<br>assets at<br>amortised<br>cost<br>\$'000 | Financial<br>liabilities at<br>amortised<br>cost<br>\$'000 | Total<br>\$'000 |
|--|---|---|--|-----------------|
| <b>31.12.2023</b>                        |   |   |  |                 |
| <b>Assets</b>                            |   |   |  |                 |
| Financial assets                         | 7,923   | -   | -  | 7,923           |
| Trade and other receivables <sup>2</sup> | -   | 118   | -  | 118             |
| Amounts due from related parties         | -   | 17,360  | -  | 17,360          |
| Cash and cash equivalents                | -   | 30,471  | -  | 30,471          |
|  | <u>7,923</u>  | <u>47,949</u>   | <u>-</u>   | <u>55,872</u>   |
| <b>Liabilities</b>                       |   |   |  |                 |
| Trade and other payables <sup>3</sup>    | -   | -   | (590)  | (590)           |
| Amounts due to related parties           | -   | -   | (1,123)  | (1,123)         |
|  | <u>-</u>  | <u>-</u>  | <u>(1,713)</u>   | <u>(1,713)</u>  |
| <b>30.06.2023</b>                        |   |   |  |                 |
| <b>Assets</b>                            |   |   |  |                 |
| Financial assets                         | 8,143   | -   | -  | 8,143           |
| Trade and other receivables <sup>2</sup> | -   | 91  | -  | 91              |
| Amounts due from related parties         | -   | 16,836  | -  | 16,836          |
| Cash and cash equivalents                | -   | 31,568  | -  | 31,568          |
|  | <u>8,143</u>  | <u>48,495</u>   | <u>-</u>   | <u>56,638</u>   |
| <b>Liabilities</b>                       |   |   |  |                 |
| Trade and other payables <sup>3</sup>    | -   | -   | (1,175)  | (1,175)         |
| Amounts due to related parties           | -   | -   | (1,159)  | (1,159)         |
|  | <u>-</u>  | <u>-</u>  | <u>(2,334)</u>   | <u>(2,334)</u>  |

<sup>1</sup> Financial assets that are measured at fair value through other comprehensive income ("FVOCI") relate to investments in equity securities. The Group has elected to designate these financial assets at FVOCI as the Group intends to hold them for long-term investment purposes to generate returns and for capital appreciation.

During the financial period, there was no disposal of quoted equity securities. In 1HFY2023, the Group had disposed of certain quoted equity securities of \$1,710,000 and the cumulative gain arising on the disposals of \$217,000 was reclassified from fair value reserve to retained earnings.

<sup>2</sup> Excludes contract assets, tax recoverables, sales tax receivables and prepayments.

<sup>3</sup> Excludes contract liabilities, withholding tax payables and sales tax payables.

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

### 15. 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

|                             | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|-----------------------------|----------------|----------------|----------------|---------------|
|                             | <b>\$'000</b>  | <b>\$'000</b>  | <b>\$'000</b>  | <b>\$'000</b> |
| <b>Group</b>                |                |                |                |               |
| <b>31.12.2023</b>           |                |                |                |               |
| <b>Financial assets</b>     |                |                |                |               |
| Investments at FVOCI        | 7,923          | -              | -              | 7,923         |
| Investments at FVPL         | 1,412          | -              | 1,935          | 3,347         |
| <b>Non-financial assets</b> |                |                |                |               |
| Investment property         | -              | -              | 22,569         | 22,569        |
|                             | <u>9,335</u>   | <u>-</u>       | <u>24,504</u>  | <u>33,839</u> |
| <b>30.06.2023</b>           |                |                |                |               |
| <b>Financial assets</b>     |                |                |                |               |
| Investments at FVOCI        | 8,143          | -              | -              | 8,143         |
| Investments at FVPL         | 1,414          | -              | 1,619          | 3,033         |
| <b>Non-financial assets</b> |                |                |                |               |
| Investment property         | -              | -              | 23,855         | 23,855        |
|                             | <u>9,557</u>   | <u>-</u>       | <u>25,474</u>  | <u>35,031</u> |
| <b>Company</b>              |                |                |                |               |
| <b>31.12.2023</b>           |                |                |                |               |
| <b>Financial assets</b>     |                |                |                |               |
| Investments at FVOCI        | <u>7,923</u>   | <u>-</u>       | <u>-</u>       | <u>7,923</u>  |
| <b>30.06.2023</b>           |                |                |                |               |
| <b>Financial assets</b>     |                |                |                |               |
| Investments at FVOCI        | <u>8,143</u>   | <u>-</u>       | <u>-</u>       | <u>8,143</u>  |

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

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

**15. 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 FVPL and investment property categorised under Level 3 of the fair value hierarchy.

| <b>Description</b>                           | <b>Fair value at<br/>31.12.2023<br/>\$'000</b> | <b>Valuation<br/>techniques</b>  | <b>Unobservable<br/>inputs</b> | <b>Range of<br/>unobservable<br/>inputs</b>                           | <b>Relationship of<br/>unobservable<br/>inputs to fair value</b>         |
|--|--|--|--------------------------------|---|--|
| Investments<br>- Debt security<br>(unquoted) | 1,935  | Quoted market prices, valuations or quotes adjusted to reflect market spreads or modelled prices | Adjustments to quotes          | Not applicable  | Not applicable   |
| Investment<br>property                       | 22,569   | Market approach with percentage / plus and minus method  | Price of comparable properties | Indonesian Rupiah 300,000 per sqm – Indonesian Rupiah 375,000 per sqm | The higher the price of comparable properties, the higher the fair value |

| <b>Description</b>                           | <b>Fair value at<br/>30.06.2023<br/>\$'000</b> | <b>Valuation<br/>techniques</b>  | <b>Unobservable<br/>inputs</b> | <b>Range of<br/>unobservable<br/>inputs</b>                           | <b>Relationship of<br/>unobservable<br/>inputs to fair value</b>         |
|--|--|--|--------------------------------|---|--|
| Investments<br>- Debt security<br>(unquoted) | 1,619  | Quoted market prices, valuations or quotes adjusted to reflect market spreads or modelled prices | Adjustments to quotes          | Not applicable  | Not applicable   |
| Investment<br>property                       | 23,855   | Market approach with percentage / plus and minus method  | Price of comparable properties | Indonesian Rupiah 300,000 per sqm – Indonesian Rupiah 375,000 per sqm | The higher the price of comparable properties, the higher the fair value |

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

*Trade and other receivables, amounts due from/(to) related parties, cash and cash equivalents and trade and other payables*

The carrying amounts of financial assets and liabilities with maturity of one year or less were assumed to approximate their fair values because of the short period to maturity or that they were repriced frequently.

*Amounts due from related parties*

The carrying amounts of financial assets with maturity of more than one year were assumed to approximate their fair values as they are subject to interest rates approximating market rates of interest for similar arrangements with financial institutions.



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

**16. Cash and cash equivalents**

|                           | <b>Group</b>      |                   | <b>Company</b>    |                   |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
|                           | <b>31.12.2023</b> | <b>30.06.2023</b> | <b>31.12.2023</b> | <b>30.06.2023</b> |
|                           | <b>\$'000</b>     | <b>\$'000</b>     | <b>\$'000</b>     | <b>\$'000</b>     |
| Cash at banks and in hand | 19,270            | 9,610             | 9,627             | 626               |
| Short-term deposits       | 34,188            | 45,579            | 20,844            | 30,942            |
|                           | <u>53,458</u>     | <u>55,189</u>     | <u>30,471</u>     | <u>31,568</u>     |

**17. Share capital and treasury shares**

|                                       | <b>Company</b>              |                        |                             |                        |
|---------------------------------------|-----------------------------|------------------------|-----------------------------|------------------------|
|                                       | <b>No. of shares</b>        |                        | <b>Amount</b>               |                        |
|                                       | <b>Issued share capital</b> | <b>Treasury shares</b> | <b>Issued share capital</b> | <b>Treasury shares</b> |
|                                       | <b>'000</b>                 | <b>'000</b>            | <b>\$'000</b>               | <b>\$'000</b>          |
| Beginning and end of financial period | <u>167,128</u>              | <u>(914)</u>           | <u>89,566</u>               | <u>(233)</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 2023 comprised 166,213,885 (30 June 2023: 166,213,885 and 31 December 2022: 166,668,285) ordinary shares with voting rights and 914,300 (30 June 2023: 914,300 and 31 December 2022: 459,900) ordinary shares (treasury shares) with no voting rights.

There were no outstanding convertibles and subsidiary holdings as at 31 December 2023 and 31 December 2022.

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 by the Company represented 0.55% (31 December 2022: 0.28%) of the total number of issued shares. There was no sale, transfer, cancellation and/or use of treasury shares as at the end of the current financial period.

**18. Borrowings**

The Group had no borrowings or debt securities as at 31 December 2023 and 30 June 2023.

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

**19. Earnings per share – basic and diluted**

|                            | <b>Group</b>    |                 |
|----------------------------|-----------------|-----------------|
|                            | <b>1HFY2024</b> | <b>1HFY2023</b> |
| Earnings per share (cents) |                 |                 |
| - basic and diluted        | <u>(0.51)</u>   | <u>0.78</u>     |

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.

**20. Net asset value per share**

|                                   | <b>Group</b>      |                   | <b>Company</b>    |                   |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                   | <b>31.12.2023</b> | <b>30.06.2023</b> | <b>31.12.2023</b> | <b>30.06.2023</b> |
| Net asset value per share (cents) | <u>62.12</u>      | <u>64.47</u>      | <u>58.99</u>      | <u>60.55</u>      |

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

**21. 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:

|   | <b>Group</b>    |                 |
|---|-----------------|-----------------|
|   | <b>1HFY2024</b> | <b>1HFY2023</b> |
|   | <b>\$'000</b>   | <b>\$'000</b>   |
| Sales and service fees received/receivable from:          |                 |                 |
| - joint venture   | 12              | -               |
| - related party   | 1               | -               |
| Purchases and service fees paid/payable to:               |                 |                 |
| - related parties   | (1)             | (92)            |
| Lease paid/payable to:                                    |                 |                 |
| - related party   | (38)            | -               |
| Consultancy fee paid/payable to a director of the Company | <u>(51)</u>     | <u>(46)</u>     |

**22. Subsequent event**

There is no known event subsequent to 31 December 2023.

## **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**

#### **1HFY2024 vs 1HFY2023**

The Group's 1HFY2024 revenue of \$25.0 million was 12% lower than the \$28.4 million recorded in 1HFY2023 mainly due to lower sales of equipment and consumables. Gross profit margin had declined slightly from 20% to 19% due to a change in revenue mix.

Other income was \$0.7 million in 1HFY2024 compared to \$0.5 million in 1HFY2023. 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 2023 and 31 December 2022, there was no fair value gain/loss on investment property in 1HFY2024 whilst a fair value gain of \$0.1 million was recorded in 1HFY2023.

The Group's distribution and administrative expenses of \$6.2 million in 1HFY2024 was comparable to the \$6.3 million in 1HFY2023.

An impairment loss on goodwill of \$1,600,000 was recognised in 1HFY2024 (1HFY2023: Nil) as the recoverable amount of the CGU in respect of APSS was determined to be lower than its carrying amount.

Other expenses in 1HFY2024 comprised mainly 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 1HFY2024 and 1HFY2023.

Overall, the Group recorded a net loss after tax of \$1.9 million in 1HFY2024 versus a net profit after tax of \$0.2 million in 1HFY2023. The decline in performance was mainly attributable to the lower gross profit and an impairment loss on goodwill which were partially offset by a higher finance income.

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

The actual results are in line with the profit guidance released by the Company on 30 January 2024.

**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 November 2023, the World Semiconductor Trade Statistics (“WSTS”) revised its semiconductor market forecast, revealing a milder contraction of 9.4% compared to the earlier projected 10.3%. Amidst the overall global decline in the semiconductor industry, only the European market is projected to grow by 5.9%, whereas the Americas, Asia Pacific region and Japan are expected to decline by 6.1%, 14.4% and 2.0% respectively. Against this backdrop, the downturn experienced in countries, including Singapore, China, Taiwan, and Malaysia had impacted DSS business in the first half of FY2024 with low utilisation rates and deferred equipment installations and purchases. DSS's delivery of equipment to its customers was also delayed due to the crisis in the Red Sea.

The Company had updated earlier that the commencement of development of the egg farm has been delayed. IFH is still in the process of finalising plans with the relevant regulatory bodies to address issues such as biosecurity measures in view of an increase in disease outbreaks these recent years. Heightened geopolitical tensions and inflationary pressure have also led to rising construction costs and IFH is reviewing the technicalities and exploring cost-effective options for equipment and materials. The objective is to ensure from the outset that necessary actions are taken to effectively manage and minimise risks of potential disruptions in the farm's future operations.

**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.

**(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 1HFY2024 in consideration of capital needed for the Group's new as well as future investments.

**F. Other information (cont'd)**

**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 2023 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) pursuant to Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Lim Poh Yeow  
Company Secretary  
7 February 2024