

GRP LIMITED



Company No.197701449C

**Financial Statement And Dividend Announcement For Three-Month
Financial Period ended 30 September 2023**

GRP LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Note	GROUP		Increase/ (decrease)
		\$'000		
		3 months ended		
		1Q FY2024	1Q FY2023	
Revenue		6,215	5,805	7.1
Cost of sales		(4,438)	(4,082)	8.7
Gross profit		1,777	1,723	3.1
Other operating income		143	169	(15.4)
Distribution costs		(435)	(448)	(2.9)
Administrative expenses		(1,377)	(1,307)	5.4
Finance costs		(15)	(15)	-
Share of result of associates		(1)	-	-
Profit/(loss) before income tax expense	18	92	122	(24.6)
Income tax expense	19	(114)	(109)	4.6
Profit/(loss) from continuing operations, net of tax		(22)	13	NM
Other comprehensive loss, net of tax:				
<i>Items that may be reclassified subsequently to profit or loss -</i>				
Exchange differences on translation of foreign operations		18	(371)	NM
Other comprehensive income/(loss) for the year, net of tax		18	(371)	NM
Total comprehensive loss for the year		(4)	(358)	(98.9)
Profit/(Loss) attributable to:				
Owners of the company		(5)	40	NM
Non-controlling interest		(17)	(27)	(37.0)
		(22)	13	NM
Total comprehensive profit/(loss) attributable to:				
Owners of the company		13	(331)	NM
Non-controlling interests		(17)	(27)	(37.0)
		(4)	(358)	(98.9)
Profit/(Loss) per share attributable to owners of the company:				
Basic and diluted	22	(0.003)	0.022	NM

* NM - not meaningful

CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	Note	GROUP		COMPANY	
		\$'000		\$'000	
		30/09/2023	30/06/2023	30/09/2023	30/06/2023
ASSETS					
Current assets					
Cash and bank balances		17,683	18,909	10,028	11,230
Trade receivables	6	3,582	2,720	1,182	1,110
Other receivables & prepayments	7	968	1,014	16,658	15,820
Financial assets at fair value through profit or loss		16	19	-	-
Contract asset		2,749	1,972	-	-
Inventories	8	4,554	4,752	-	-
Development properties	9	3,309	3,304	-	-
Development property expenditure	10	9,838	9,712	-	-
Income tax recoverable		66	66		
Total current assets		42,765	42,468	27,868	28,160
Non-current assets					
Other receivables	7	-	-	-	-
Investment in subsidiaries		-	-	4,776	4,776
Associates		4	4	-	-
Deferred tax assets		97	96	-	-
Intangible asset		30	30	24	24
Right-of-use assets	11	690	459	140	161
Property, plant and equipment	12	566	582	89	79
Total non-current assets		1,387	1,171	5,029	5,040
Total assets		44,152	43,639	32,897	33,200
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	13	377	375	-	-
Trade payables	14	3,019	2,755	50	19
Lease liabilities	13	430	364	84	84
Other payables	15	2,943	2,944	981	870
Deferred consideration payable	10	2,530	2,478	-	-
Tax payable		375	327	-	-
Total current liabilities		9,674	9,243	1,115	973
Non-current liabilities					
Bank loans	13	482	576	-	-
Deferred tax liabilities		1	1	-	-
Lease liabilities	13	279	99	58	79
Total non-current liabilities		762	676	58	79
Capital and reserves					
Share capital	16	44,093	44,093	44,093	44,093
Treasury shares	17	(2,382)	(2,382)	(2,382)	(2,382)
Currency translation reserve		1,067	1,049	-	-
Accumulated losses		(8,825)	(8,820)	(9,987)	(9,563)
Equity attributable to owners of the company		33,953	33,940	31,724	32,148
Non-controlling interests		(237)	(220)	-	-
Total equity		33,716	33,720	31,724	32,148
Total liabilities and equity		44,152	43,639	32,897	33,200

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	The Group	
	\$'000	
	3 months ended 30/09/2023	3 months ended 30/09/2022
Operating activities:		
Profit before income tax	92	122
Adjustments for:		
Depreciation and amortisation	36	45
Depreciation of right-of-use assets	139	103
Fair value loss on financial assets at fair value through profit or loss	3	-
Interest income	(114)	(38)
Interest expenses	8	11
Provision for inventories	6	85
Operating cash flows before movements in working capital	170	328
Trade receivables	(862)	(302)
Other receivables & prepayments	47	280
Contract asset	(777)	-
Inventories	192	(258)
Development property expenditure	(101)	(263)
Trade payables	265	116
Other payables	(23)	(102)
Cash used in operating activities	(1,089)	(201)
Income taxes paid	(46)	(44)
Net cash used in operating activities	(1,135)	(245)
Investing activities:		
Purchase of property, plant and equipment	(18)	(1)
Interest received	114	38
Net cash generated from investing activities	96	37
Financing activities:		
Interest paid	(8)	(11)
Repayment of loan	(92)	(91)
Payment of lease liabilities	(124)	(105)
Net cash used in financing activities	(224)	(207)
Net decrease in cash and cash equivalents	(1,263)	(415)
Cash and cash equivalents at beginning of year	18,909	22,686
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	37	(152)
Cash and cash equivalents at end of period	17,683	22,119

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

Group	Share capital	Treasury Shares	Currency translation reserve	Accumulated losses	Attributable to equity holders of the company	Non-controlling interests	Total
\$'000							
Latest Period							
Balance at 01/07/2023	44,093	(2,382)	1,049	(8,820)	33,940	(220)	33,720
<i>Total comprehensive profit (loss) for the period:</i>	-	-	18	(5)	13	(17)	(4)
- Loss for the financial period	-	-	-	(5)	(5)	(17)	(22)
- Other comprehensive income for the period Currency translation differences on consolidation	-	-	18	-	18	-	18
Balance at 30/09/2023	44,093	(2,382)	1,067	(8,825)	33,953	(237)	33,716

Previous Corresponding Period							
Balance at 01/07/2022	44,093	(2,382)	1,986	(2,708)	40,989	29	41,018
<i>Total comprehensive profit (loss) for the period:</i>	-	-	(371)	40	(331)	(27)	(358)
- Profit/(Loss) for the financial period	-	-	-	40	40	(27)	13
- Other comprehensive loss: Currency translation differences on consolidation	-	-	(371)	-	(371)	-	(371)
Balance at 30/09/2022	44,093	(2,382)	1,615	(2,668)	40,658	2	40,660

Company	Share capital	Treasury Shares	Accumulated losses	Total
\$'000				
Latest Period				
Balance at 01/07/2023	44,093	(2,382)	(9,563)	32,148
<i>Total comprehensive income for the period, represented by:</i>				
- Loss for the year	-	-	(424)	(424)
Balance at 30/09/2023	44,093	(2,382)	(9,987)	31,724
Previous Corresponding Period				
Balance at 01/07/2022	44,093	(2,382)	(3,065)	38,646
<i>Total comprehensive income for the period, represented by:</i>				
- Profit for the year	-	-	14	14
Balance at 30/09/2022	44,093	(2,382)	(3,051)	38,660

Notes to the condensed financial statements

Note 1 Corporate information

GRP Limited (the "**Company**") is incorporated in the Republic of Singapore with its registered office at 30 Cecil Street, #10-01/02 Prudential Tower, Singapore 049712. The Company is listed on the Singapore Exchange Securities Trading Limited. These condensed financial statements for the financial period ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the "**Group**"). The principal activities of the Company is that of investment holding and rental of property.

The principal activities of the Group are:

- (a) Property development;
- (b) Sales of hose and marine products; and
- (c) Sales of measuring instruments/metrology.

Note 2 Basis of preparation

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

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

The condensed financial statements are presented in Singapore dollars which is the Company's functional currency.

Note 2.1 New and amended standards adopted by the Group

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("**SFRS(I) INT**") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

Note 2.2 Use of judgements and estimates

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

In addition to the additional significant accounting judgements and estimates as disclosed below, 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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed as follow or included in the following notes:

- * Note 5 - Fair value of investment in redeemable convertible preference share ("RCPS")
- * Note 6 - Recoverable amount of trade receivables
- * Note 7 - Recoverable amount of non-current advances from PRC authority
- * Notes 9 and 10 - Estimation of net realisable value of development properties and development property expenditure

Fund transfers relating to certain subsidiary of the group in PRC

As at the date of authorisation of these condensed financial statements, no further matter has been raised by the officer-in-charge ("OIC") since December 2020. Management intends to cooperate fully with the OIC on the matter.

Bank of China and Industrial and Commercial Bank of China had frozen certain PRC bank accounts of Tangshan GRP, Chongqing Tianhu Land Co., Ltd ("**Tianhu**") and Chongqing Gangyuan Property Development Co., Ltd ("**Gangyuan**") during the financial year ended 30 June 2020. Tianhu and Gangyuan are indirect wholly-owned subsidiaries of Luminor Financial Holdings Limited ("**LFHL**"). As announced on 19 November 2021, Tianhu and Gangyuan had received and decided to accept the Notices of Administrative Penalty ("**Notices**") from the State Administration of Foreign Exchange Hanzhong City Central Branch. The Notices served as a warning not to repeat such transactions and to impose a penalty of 10% of the funds transferred in accordance with Article 45 of the Regulations of the People's Republic of China on Foreign Exchange Administration. With this, LFHL obtained an unqualified audit opinion on their audited financial statements for the financial year ended 31 December 2021.

Correspondingly, management has provided \$0.8 million (approximately RMB3.6 million) penalty since FY2022. This represented 10% penalty on the fund transfers from subsidiary in Tangshan, PRC.

Note 3 Seasonal operations

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

Note 4 Financial Instruments

The following table sets out the financial instruments as at 30 September 2023 and 30 June 2023:

	Group		Company	
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>				
Amortised costs:				
- Cash and bank balances	17,683	18,909	10,028	11,230
- Trade receivables	3,582	2,720	1,182	1,110
- Other receivables	862	993	16,591	15,819
	22,127	22,622	27,801	28,159
Financial assets designated at fair value through profit or loss	16	19	-	-
Total	22,143	22,641	27,801	28,159

	Group		Company	
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000	\$'000	\$'000
<u>Financial liabilities</u>				
Amortised cost:				
- Trade payables	3,011	2,713	45	-
- Other payables	2,943	2,944	981	870
- Loans and borrowings	859	951	-	-
Lease liabilities	709	463	142	163
Total	7,522	7,071	1,168	1,033

Note 5 Fair value of Financial Instruments

The carrying amounts of all categories of financial assets and liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments, except for non-current other receivables and lease liabilities.

The fair value hierarchy adopted in fair value measurements of the group's and the Company's financial assets at fair value through profit or loss is Level 3. The following table gives information about how the fair values of the financial assets at fair value through profit or loss is determined (in particular, the valuation technique and inputs used).

	Fair value		Fair value hierarchy
	As at	As at	
	30/09/2023	30/06/2023	
	\$'000	\$'000	
Financial assets at fair value through profit or loss	16	19	Level 1
Investment in redeemable convertible preference shares ("RCPS")	-	-	Level 3

The investment relates to the aggregate principal amount for the subscription of 15,250 redeemable convertible preference shares ("RCPS") issued by Energiser Enterprise Sdn Bhd ("EESB").

EESB was unable to repay the redemption amount and both parties had signed an agreement on 17 June 2020 and agreed on an arrangement by which the outstanding amount will be settled in the future, which incorporates land transfer from EESB to the group, deed of assignment for the account receivables of EESB and joint development of student accommodation units.

Due to uncertainties, the land transfer, deed assignment for the account receivables of EESB and joint development of student accommodation units are not foreseeable in the near future. As announced by the Company on 19 July 2022, the land transfer agreement and its supplemental agreement had expired on 30 June 2022. The Company had decided not to further extend the timeline for the restructuring and will pursue actions to recover the outstanding amount, hence the RCPS amount was assessed at \$Nil value as at 30 June 2022 and 30 June 2023. The Company and the other RCPS holders are in negotiation with EESB to reach new settlement terms. The Company will provide update as and when there is material information available.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period ended 30 September 2023 and financial year ended 30 June 2023.

Note 6 Trade receivables

	Group		Company	
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000	\$'000	\$'000
Outside parties	3,582	2,720	-	-
Subsidiaries	-	-	6,588	6,240
	3,582	2,720	6,588	6,240
Less: Loss allowance - Subsidiaries	-	-	(5,406)	(5,130)
	3,582	2,720	1,182	1,110

The loss allowance of the Group of Nil (30 June 2023: Nil) and the Company of \$5,406,000 (30 June 2023: \$5,130,000) relate to trade receivables which are past due for more than 360 days.

Note 7 Other receivables and prepayments

	Group		Company	
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Prepayments	106	21	67	1
Other deposits	204	143	72	23
Sundry receivables	658	782	94	80
Consultancy service fees - refundable retainer fees	-	68	-	68
Subsidiaries	-	-	25,733	24,956
	968	1,014	25,966	25,128
Less: Loss allowances - Subsidiaries	-	-	(9,308)	(9,308)
	968	1,014	16,658	15,820
Short term loan receivable (a)	1,161	1,161	1,161	1,161
Less: Allowance for short term loan receivable	(1,161)	(1,161)	(1,161)	(1,161)
	968	1,014	16,658	15,820
<u>Non-current</u>				
Advance payment (b)	4,795	4,557	-	-
Less : Loss allowances	(4,795)	(4,557)	-	-
	-	-	-	-

(a): The \$1.161 million short term loan receivable pertained to loan granted to a company owned by Mr David Hsieng Loong Su.

(b): Amount relates to part of advance payment in accordance with an agreement entered with the People's Government of Kaiping District to obtain the first right of refusal to participate in an integrated mixed development project in Tangshan City, PRC. The amount had been long outstanding and the Company fully impaired the amount in year ended 30 June 2023.

Note 8 Inventories

	Group	
	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000
Finished goods	4,554	4,752
<u>Movement in allowance for inventories:</u>		
Balance at beginning of the year	2,654	2,505
Increase in allowance recognised in profit or loss	6	176
Exchange realignment	-	(27)
Balance at end of the year	2,660	2,654

Note 9 Development properties

	Group	
	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000
Development properties located in		
- Malaysia	3,309	3,304
	3,309	3,304

Note 10 Development property expenditure

	Group	
	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000
Balance at beginning of the financial year	9,712	9,444
Additions	1,756	6,312
Recognised in profit or loss during the financial period	(1,655)	(4,930)
Amount written off (a)	-	(640)
Exchange realignment	25	(474)
Balance at end of the financial period	9,838	9,712
Comprising joint venture development agreement with:		
- Karib Tropika Sdn Bhd (a)	-	-
- Lembaga Perumahan Dan Hartanah, Perak	9,838	9,712
	9,838	9,712

Deferred consideration payable		
Joint venture development agreement with Lembaga Perumahan Dan Hartanah, Perak ("LPHP")	2,530	2,478

- (a) As announced by the Company on 16 November 2022, the joint venture development agreement with Karib Tropika Sdn Bhd was terminated on 15 November 2022. With this termination, the total development property expenditure of \$0.64 million was written off in year ended 30 June 2023.

Note 11

Right-of-use assets

	Group		Company	
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000	\$'000	\$'000
<u>Cost:</u>				
At opening balance	1,075	1,189	231	-
Addition	370	231	-	231
Termination of leases	-	(345)	-	-
At closing balance	1,445	1,075	231	231
<u>Accumulated depreciation:</u>				
At opening balance	616	503	70	-
Depreciation	139	458	21	70
Termination of leases	-	(345)	-	-
At closing balance	755	616	91	70
Carrying value	690	459	140	161

Note 12

Property, plant and equipment

	Group		Company	
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000	\$'000	\$'000
<u>Cost:</u>				
At opening balance	2,079	2,103	232	227
Exchange realignment	1	(72)	-	-
Addition	18	70	15	5
Disposal	-	(22)	-	-
At closing balance	2,098	2,079	247	232
<u>Accumulated depreciation:</u>				
At opening balance	1,497	1,383	153	131
Exchange realignment	(1)	(42)	-	-
Depreciation	36	178	5	22
Disposal	-	(22)	-	-
At closing balance	1,532	1,497	158	153
Carrying value	566	582	89	79

Note 13 Bank loans and lease liabilities

	Group		Company	
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand				
- Secured	430	364	84	84
- Unsecured	377	375	-	-
	807	739	84	84
Amount repayable after one year				
- Secured	279	99	58	79
- Unsecured	482	576	-	-
	761	675	58	79

	01/07/2023	Financing cash flows (i)	Others non cash charges(ii)	Termination/ Additions	30/09/2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Bank loans	951	(92)	-	-	859
Lease liabilities	463	(124)	-	370	709
	1,414	(216)	-	370	1,568

	01/07/2022	Financing cash flows (i)	Others non cash charges(ii)	Termination/ Additions	30/06/2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Bank loans	1,319	(368)	-	-	951
Lease liabilities	700	(468)	-	231	463
	2,019	(836)	-	231	1,414

(i) The cash flows make up the net amount of new/repayments of borrowings and lease liabilities in the consolidated statement of cash flows.

(ii) Other non cash charges include lease liabilities interest expense on lease liabilities.

Details of any collateral

Secured borrowings relate to lease liabilities which are secured over the right-of-use assets.

The unsecured borrowings relate to drawdown of the Enterprise Financing Scheme Temporary Bridging Loan ("EFS TBL") facility of \$1,500,000 in December 2020. This loan facility is guaranteed by GRP Limited. The loan is for 5 years. Monthly principal repayment commenced in January 2022, 12 months from drawdown date.

Note 14 Trade payables

	Group		Company	
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000	\$'000	\$'000
Outside parties	3,011	2,713	45	-
Net GST payable	8	42	5	19
	3,019	2,755	50	19

The credit period on purchases of goods range from 30 to 90 days (30 June 2023 : 30 to 90 days).

Note 15 Other payables

	Group		Company	
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
	\$'000	\$'000	\$'000	\$'000
Employee benefits	985	834	544	414
Operating expenses	1,582	1,720	396	446
Trade deposits from contractors	153	163	-	-
Other payables	223	227	41	10
	2,943	2,944	981	870

Note 16 Share capital

	Group and Company			
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
	Number of ordinary shares		\$'000	\$'000
Issued and paid up capital:				
At the beginning/end of the year	193,701,610	193,701,610	44,093	44,093

Fully paid ordinary shares, carry one vote per share and a fixed right to dividends as and when declared by the Company.

The Company has no subsidiary holdings as at 30 September 2023.

Note 17 Treasury shares

	Group and Company			
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
	Number of ordinary shares		\$'000	\$'000
At the beginning/end of the year	13,504,600	13,504,600	2,382	2,382

All the shares acquired are held as treasury shares. The Company has 13,504,600 treasury shares as at 30 September 2023 (30 June 2023 : 13,504,600).

Note 17.1 Total number of issued shares excluding treasury shares

	As at 30/09/2023	As at 30/06/2023
	Number of ordinary shares	
At 1 July	180,197,010	180,197,010
Total number of issued shares	180,197,010	180,197,010

Note 18 Profit / Loss before taxation

Note 18.1 Significant items

	GROUP	
	\$'000	
	3 months ended 30/09/2023	3 months ended 30/09/2022
	\$'000	\$'000
Depreciation and amortisation	(36)	(45)
Depreciation of right-of-use assets	(139)	(103)
Allowance for inventories	(6)	(85)
Fair value loss on financial assets at fair value through profit or loss	(3)	-
Net foreign currency exchange adjustment gain (loss)	4	(156)
Interest expenses	(8)	(11)
Interest income	114	38
Finance expense	(48)	-
Rental and services income	-	4
Other income	29	19
Management fee income (a)	-	108

(a) Management fee income was received from LFHL. LFHL was a 83.17% indirectly owned subsidiary of the Group until 3 December 2021. LFHL shares were distributed to the shareholders of the Company as distribution in specie on 3 December 2021. With the completion of the distribution in specie, LFHL ceased to be a subsidiary of the Group. The management fee agreement was terminated on 31 May 2023.

Note 18.2 Related party transactions

	Group	
	3 months ended 30/09/2023	3 months ended 30/09/2022
	\$'000	\$'000
Management fee income received from LFHL (a)	-	108
Rental expenses paid to LFHL for the financial period (a)	(24)	(24)

(a) With the completion of the distribution in specie of shares in LFHL on 3 December 2021, LFHL ceased to be a subsidiary of the Group.

Note 19 Income Tax Expenses

	Group	
	3 months ended 30/09/2023	3 months ended 30/09/2022
	\$'000	\$'000
Current income tax expense	114	109
Deferred income tax expense	-	-
	114	109

Note 20 Dividends

In respect of the current financial period, no dividend is proposed.

Note 21 Net Asset Value

	As at 30/09/2023	As at 30/06/2023
	Cents	
The Group	18.84	18.83
The Company	17.61	17.84

Net asset value per share attributable to the owners of the Company is calculated based on 180,197,010 (30 June 2022: 180,197,010) ordinary shares issued at the end of the current period under review and of the immediately preceding financial year.

Note 22 Profit (Loss) Per Ordinary Share

The calculation of the basic and diluted loss per ordinary share attributable to the ordinary owners of the Company is based on the following data:

	Group	
	3 months ended 30/09/2023	3 months ended 30/09/2022
	\$'000	\$'000
Net profit/(loss) attributable to owners of the company	(5)	40

	Group	
	As at 30/09/2023	As at 30/09/2022
	Number of shares	Number of shares
Weighted average number of ordinary shares for purpose of basic profit (loss) and diluted profit (loss) per share	180,197,010	180,197,010

Note 23 Reportable Segments

	Hose & Marine		Measuring instruments / metrology		Property		Total	
	3 months ended 30/09/2023	3 months ended 30/09/2022	3 months ended 30/09/2023	3 months ended 30/09/2022	3 months ended 30/09/2023	3 months ended 30/09/2022	3 months ended 30/09/2023	3 months ended 30/09/2022
S\$'000								
Revenue								
External sales	1,123	455	3,182	4,355	1,910	995	6,215	5,805
Result								
Segment gross contribution	309	180	1,213	1,391	255	152	1,777	1,723
Other operating income	8	16	19	3	116	150	143	169
Direct expenses	(383)	(373)	(570)	(564)	(261)	(426)	(1,214)	(1,363)
Segment net contribution	(66)	(177)	662	830	110	(124)	706	529
Direct expenses - Corporate							(613)	(407)
Profit before income tax							93	122
Share of result of associate							(1)	-
Profit before income tax, after associate							92	122
Income tax expense							(114)	(109)
(Loss)/Profit for the year							(22)	13
Depreciation of property, plant and equipment and amortisation	11	18	9	11	16	16	36	45
Depreciation of right-of-use- assets	87	68	31	29	21	6	139	103

Note 23.1 Segment information

	Hose & Marine		Measuring instruments / metrology		Property		Inter-segment elimination		Total	
	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023	As at 30/09/2023	As at 30/06/2023
S\$'000										
Other information										
Segment Assets	2,771	2,536	8,796	7,780	22,069	21,659	-	-	33,636	31,975
Unallocated corporate assets									10,516	11,664
Consolidated total assets									44,152	43,639
Segment liabilities	883	1,251	2,439	1,950	5,947	5,674	-	-	9,269	8,875
Inter-segment liabilities	6,472	5,697	-	-	28,631	28,496	(35,103)	(34,193)	-	-
Unallocated corporate liabilities									1,167	1,044
Consolidated total liabilities									10,436	9,919
Capital expenditure	-	38	3	26	15	6	-	-	18	70

Note 23.2 Geographical segments by location of customers

S\$'000	Revenue	
	3 months ended 30/09/2023	3 months ended 30/09/2022
Continuing operations		
Singapore	2,426	2,601
Malaysia	3,422	2,877
Indonesia	282	233
Other ASEAN countries	36	4
Other Asian countries	-	5
Middle Eastern countries	1	3
People's Republic of China	38	20
Others	10	62
Total	6,215	5,805

Information about major customers

In 1Q FY2024 and 1Q FY2023, no single customer contributed to more than 10% of the group's total revenue.

S\$'000	Total non-current assets	
	As at 30/09/2023	As at 30/06/2023
Singapore	975	747
Malaysia	314	327
People's Republic of China	1	1
Total	1,290	1,075

Note 24 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed financial statements.

Other Information Required by Listing Rule Appendix 7.2

- 1. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by the auditors.

- 2. Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

In respect of the financial statements of the Group for the financial year ended 30 June 2023 ("FY2023"), the auditors, Messrs Baker Tilly TFW LLP had issued an "except for" qualified audit opinion, for transactions and agreements entered into by the former CEO and recoverability of certain assets from the PRC authorities. The basis for the "except for" qualified opinion is contained in the Auditor's Report, pages 75 to 80 of the Company Annual Report for FY2023.

In relation to the matters, the Board and the management of the Company provide their comments and update as follows:

- 1) Transactions and agreements entered into by former CEO**
The Management of the Company is corresponding with the service providers to obtain details of the professional services performed. An independent party was appointed to review and assess the potential financial implications of the transactions and agreements entered by the former CEO. The independent review is still ongoing and the independent party has not provided the expected completion date of review. The Group will provide update as and when there is material information available.

2) Non-current advance payment recoverable from the PRC authority

The Management of the Company has been pursuing the recovery of the receivables from the PRC authority. Management has communicated with the relevant authorities, and has obtained written acknowledgement from the PRC authority with regard to their liability. Management has responded to the PRC authority and requested for a repayment plan commencing with a first instalment of 50% of their liability. The Group has engaged a PRC law firm to issue a legal opinion letter to the PRC authority on 20 February 2023 requesting for a settlement of the advance payments. On 23 August 2023, the Company issued another letter to the PRC authority requesting for the settlement.

Based on current available information, the Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year as that of the audited financial statements for the year ended 30 June 2023.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	3 months ended 30/09/2023	3 months ended 30/09/2022
Earning/(Loss) per ordinary share attributable to the owners of the company for the year		
(i) Based on weighted average number of ordinary share in issue (Cents)	(0.003)	0.022
(ii) On a fully diluted basis (Cents)	(0.003)	0.022
(i) Based on weighted average number of ordinary share in issue (Cents)	(0.003)	0.022
(ii) On a fully diluted basis (Cents)	(0.003)	0.022

Computed based on the following weighted average number of shares

(i) Basic	180,197,010	180,197,010
(ii) Diluted	180,197,010	180,197,010

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	As at 30/09/2023	As at 30/06/2023
	Cents	
The Group	18.84	18.83
The Company	17.61	17.84

Net asset value per share attributable to the owners of the company is calculated based on 180,197,010 (30 June 2023: 180,197,010) ordinary shares issued at the end of the current period under review and of the immediately preceding financial year.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

- Three months ended 30 September 2023 ("1QFY2024") vs Three months ended 30 September 2022 ("1QFY2023"); and

1QFY2024 vs 1QFY2023

The Group's revenue of \$6.22 million for 1QFY2024, is 7.1% higher than the \$5.81 million revenue for 1QFY2023. Revenue for the Group's Property segment increased by \$0.92 million (92.0%) and Hose & Marine segment increased by \$0.67 million (>100%). The increases are partially offset by decreased revenue generated by Measuring Instruments segment of \$1.17 million (26.9%).

The Property segment has commenced its recognition of sales, on percentage of completion basis, for the affordable housing project in Perak, Malaysia, since 4QFY2022. The improved revenue for Hose & Marine segment is largely due to fulfilment of back orders. While Measuring Instruments segment benefited after the easing of COVID-19 restrictions in Singapore and Malaysia where manufacturing customers were back to near full scale operations in 1QFY2023, this ramp up is not recurring in 1QFY2024.

The Group's gross profit increased by 3.1% to \$1.78 million in 1QFY2024 from \$1.72 million in 1QFY2023. Gross profit for Property and Hose & Marine segments have improved in 1QFY2024 as compared to 1QFY2023. Property segment improved by \$0.10 million and Hose & Marine segment improved by \$0.13 million. These improvements are in line with the higher revenue in 1QFY2024. Gross profit for Measuring Instruments segment decreased by \$0.18 million in 1QFY2024 as compared to 1QFY2023. The decrease is a result of the lower revenue in 1QFY2024.

Other operating income decreased to \$0.14 million in 1QFY2024 as compared to \$0.17 million in 1QFY2023. The decrease is largely due to a \$0.11 million decrease in management fee income as a result of the termination of management fee agreement with LFHL with effect from 31 May 2023, partially offset by a \$0.08 million increase in interest income in 1QFY2024 as compared to 1QFY2023.

Consequently, the Group recorded a profit before tax of \$0.09 million in 1QFY2024 as compared to a profit before tax of \$0.12 million in 1QFY2023.

Statement of financial position and Statement of cashflows

The Group's financial position remains healthy with current ratio of approximately 4.42 times as at 30 September 2023 ("**30 Sept 2023**") as compared to 4.59 times at the end of June 2023 ("**30 June 2023**"). As at 30 Sept 2023 the Group had cash and bank balances amounting to \$17.68 million (out of which \$3.73 million, approximately RMB19.99 million is maintained in PRC). This is \$1.23 million lower than the cash and bank balances as at 30 June 2023. The decrease is largely due to a \$0.86 million increase in trade receivables and a \$0.78 million increase in contract asset. The increase in trade receivables is mainly due to the increase in revenue of Hose & Marine segment in 1QFY2024. Contract asset related to accrued progress sale billing for affordable housing project in Malaysia. The affordable housing project is known as "Proposed Joint Venture Development in Special Program of Perwira Housing of Perak State" undertaken by Ratus Nautika Sdn Bhd, a 70% indirectly owned subsidiary of the Company. Increase in contract asset is mainly due to increased accrued progress sale billing for the affordable housing projects in Ipoh, Malaysia as at 30 Sept 2023 as compared to 30 June 2023.

Trade payables pertaining to the affordable housing project in Perak, Malaysia, increased by \$0.26 million on 30 Sept 2023 as compared to 30 June 2023.

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

No forecast or prospect statement has been issued previously.

10. A commentary at the date of the announcement of the 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

Business outlook for the next 12 months continues to remain challenging. The high interest rates for longer period will set to weigh on demand for a considerable period of time. As a result, the business condition will still remain weak for sometime yet.

The Group will continue to operate with lean for growth to mitigate global inflation pressure and to improve our productivity.

11. Dividend

If a decision regarding dividend has been made:-

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

No dividend has been declared for the period ended 30 September 2023.

(b) Amount per share (cents) and previous corresponding period (cents)

No dividend declared for the period ended 30 September 2022.

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

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend is declared for period ended 30 September 2023.

The Company does not have a formal dividend policy. In view of the weak market conditions and the ongoing development and construction of the affordable housing project, the Company will be preserving its cash and bank balances.

13. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or by the Company for the three-month ended 30 September 2023 is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Luminor Financial Holdings Limited - Management fee income received from LFHL	-	108,000
Luminor Financial Holdings Limited - Rental expenses paid to LFHL	(24,000)	(24,000)

14. Confirmation by the Board of Directors

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the three-month ended 30 September 2023 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

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

16. Use of proceeds from rights issue and exercise of warrants

As at the date of this announcement, the status of the use of net proceeds from the rights shares is as below.

Use of Net Proceeds	Allocation of Net Proceeds \$'000	Net Proceeds utilised as at the date of this announcement \$'000	Balance of Net Proceeds as at the date of this announcement \$'000
<u>2013 Rights issues</u>			
Proceeds from rights issue:			
- Proposed new business	28,000	(28,000)	-
- General working capital	5,000	(5,000)	-
	33,000	(33,000)	-
Proceeds from exercise of warrants:			
- Proposed new business	8,974	(8,974)	-
Total	41,974	(41,974)	-
<u>2016 Rights issues</u>			
Proceeds from rights issue:			
- Proposed new business	12,348	(6,372)	5,976
- General working capital	841	(841)	-
	13,189	(7,213)	5,976
Proceeds from exercise of warrants:			
- Proposed new business	6	-	6
Total	13,195	(7,213)	5,982
Cumulative Total	55,169	(49,187)	5,982
Breakdown of general working capital is as follows:			
Capital contribution	-	(570)	-
Project construction costs	-	(2,309)	-
Rental expenses	-	(34)	-
Professional fees	-	(125)	-
General administrative expenses	-	(2,803)	-
Total	-	(5,841)	-

Note: The Group had fully utilised the proceed from the 2013 Rights issues.

17. Acquisition or sale of shares in subsidiaries and/or associated companies under Rule 706(A)

None

BY ORDER OF THE BOARD

Colin Tay Yong Lee
Managing Director
9 November 2023