

Unaudited Half-Year Financial Statement And Dividend Announcement for the Period Ended 30/06/2022
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A comprehensive income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Increase / (Decrease) %
	6 Mths Ended Jun-2022 S\$'000	6 Mths Ended Jun-2021 S\$'000	
Revenue	7,785	10,208	(23.74)
Cost of sales	(6,352)	(8,694)	(26.94)
Gross Profit	<u>1,433</u>	<u>1,514</u>	(5.35)
Other operating income	80	161	(50.31)
Selling and distribution expenses	(855)	(876)	(2.40)
General and administrative expenses	(3,881)	(3,776)	2.78
Other operating expenses	(109)	-	N.M.
Write back of impairment losses on financial assets	290	9	3,122.22
Finance income	17	25	(32.00)
Finance expenses	(315)	(367)	(14.17)
Finance expenses, net	<u>(298)</u>	<u>(342)</u>	(12.87)
Loss before income tax	(3,340)	(3,310)	0.91
Income tax	<u>(14)</u>	<u>(4)</u>	250.00
Loss after tax for the period	<u>(3,354)</u>	<u>(3,314)</u>	1.21
Other comprehensive (loss) / income :			
Currency translation difference	<u>(142)</u>	<u>124</u>	N.M.
Other comprehensive (loss) / income, net of tax	<u>(142)</u>	<u>124</u>	N.M.
Total comprehensive loss	<u>(3,496)</u>	<u>(3,190)</u>	9.59
Loss for the period attributable to			
Owners of the Company	(2,356)	(2,238)	5.27
Non-controlling interests	<u>(998)</u>	<u>(1,076)</u>	(7.25)
	<u>(3,354)</u>	<u>(3,314)</u>	1.21
Total comprehensive loss attributable to:			
Owners of the Company	(2,562)	(2,140)	19.72
Non-controlling interests	<u>(934)</u>	<u>(1,050)</u>	(11.05)
	<u>(3,496)</u>	<u>(3,190)</u>	9.59

N.M. - Not meaningful

Other notes :

Loss before income tax is arrived at after charging / (crediting) the following :

	Group		Increase / (Decrease)
	6 Mths Ended Jun-2022	6 Mths Ended Jun-2021	
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	483	486	(0.62)
Depreciation of right-of-use assets	90	91	(1.10)
Amortisation of intangible assets	81	71	14.08
Cost of Sales	6,352	8,694	(26.94)
Impairment losses on financial assets - trade receivables	13	-	N.M.
Write back of Impairment losses on financial assets - trade receivables	(303)	(9)	3,266.67
Write back of Impairment loss of non-financial assets	-	(10)	(100.00)
Research and development	13	19	(31.58)
Write back of allowance of inventory obsolescence	-	(1)	(100.00)
Allowance for inventory obsolescence	36	-	N.M.
Foreign exchange (gain) / loss	(111)	4	N.M.
Loss from disposal of property, plant and equipment	226	6	3,666.67
Interest expense on borrowings and lease liabilities	314	367	(14.44)
Interest income	(17)	(25)	(32.00)

N.M. - Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Jun-2022	Dec-2021	Jun-2022	Dec-2021
	S\$'000	S\$'000	S\$'000	S\$'000
Non-Current Assets				
Property, plant and equipment	414	468	3	4
Right-of-use assets	1,838	453	7	9
Intangible assets	80	158	79	160
Investment in subsidiaries	-	-	5,119	5,119
	2,332	1,079	5,208	5,292
Current Assets				
Inventories	2,718	2,530	-	-
Trade and notes receivables	2,757	2,154	819	784
Other receivables, deposits and tax receivables	1,080	1,200	432	1,159
Prepayment	69	184	45	54
Fixed deposits	-	1,501	-	-
Cash and bank balances	8,494	5,654	184	177
Asset held for sale	18,138	15,918	-	-
	33,256	29,141	1,480	2,174
Total Assets	35,588	30,220	6,688	7,466
Current Liabilities				
Trade payables	1,773	1,328	-	-
Other payables and accruals	8,858	4,981	489	197
Contract liabilities	4	18	-	-
Lease liabilities	574	326	-	2
Term loans	2,599	1,948	-	-
Liabilities held for sale	13,819	10,597	-	-
Deferred tax liabilities	-	25	-	-
	27,627	19,223	489	199
Net Current Assets	5,629	9,918	991	1,975
Non-Current Liabilities				
Lease liabilities	1,117	348	-	-
Term loan	3,124	3,499	-	-
Other long term liabilities	14	-	-	-
Deferred tax liabilities	126	74	-	-
	4,381	3,921	-	-
Net Assets	3,580	7,076	6,199	7,267
Equity				
Share capital	24,603	24,603	24,603	24,603
Capital reserve	294	294	-	-
General reserve	4,417	4,417	-	-
Enterprise expansion fund	4,417	4,417	-	-
Translation reserve	38	244	-	-
Retained losses	(28,529)	(26,173)	(18,404)	(17,336)
Equity attributable to the Owners of the Company	5,240	7,802	6,199	7,267
Non-controlling interests	(1,660)	(726)	-	-
Total Equity	3,580	7,076	6,199	7,267

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/06/2022		As at 31/12/2021	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,606	567	1,953	321

Amount repayable after one year

As at 30/06/2022		As at 31/12/2021	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,138	1,103	3,518	329

Details of any collateral

Secured borrowings

As at 30 June 2022, our Group's borrowings are secured by the following:

- i) Term loan and bills payable to banks of approximately S\$5,723k (31 December 2021: S\$5,447k) were granted to the subsidiaries of the Company and were used mainly as working capital and for financing of purchases made in the ordinary course of business. The financing are secured by properties, owned by our Singapore and PRC subsidiaries; and
- ii) The lease liabilities under the hire purchase are approximately S\$21k (31 December 2021: S\$24k) secured by the underlying assets acquired with total net book values of approximately S\$10k as of 30 June 2022 (31 December 2021: S\$25k).

Unsecured borrowings

- i) The unsecured lease liabilities comprise office rental which arises from the adoption of SFRS(I) 16 Leases.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	6 Mths Ended Jun-2022 S\$'000	6 Mths Ended Jun-2021 S\$'000
Cash flow from operating activities		
Loss before income tax	(3,340)	(3,310)
Adjustments for:		
Depreciation of property, plant and equipment	483	486
Depreciation of right-of-use assets	90	91
Amortisation of intangible assets	81	71
Write back of Impairment losses on financial assets - trade receivables	(303)	(9)
Impairment losses on financial assets - trade receivables	13	-
Loss from disposal of property, plant and equipment	226	6
Write back of Impairment loss of non-financial assets	-	(10)
Allowance for inventory obsolescence	36	-
Interest expense on borrowings and lease liabilities	314	367
Interest income	(17)	(25)
Translation adjustments	288	(312)
Operating loss before working capital changes	(2,129)	(2,645)
Decrease in inventories	640	735
Decrease in trade and note receivables	1,169	433
Increase in other receivables and prepayments	(292)	(5)
Increase in trade and other payables	5,399	1,713
Decrease in contract liabilities	(41)	(114)
Increase in deferred tax liabilities	52	7
Cash generated from operations	4,798	124
Interest received	17	25
Interest paid	(314)	(367)
Income tax refunded	50	2
Net cash generated from / (used in) operating activities	4,551	(216)
Cash flow from investing activities		
Purchase of property, plant and equipment	(74)	(109)
Proceeds from disposal of property, plant and equipment	3	5
Net cash used in investing activities	(71)	(104)

	6 Mths Ended Jun-2022 S\$'000	6 Mths Ended Jun-2021 S\$'000
Cash flow from financing activities		
Decrease in restricted cash	1,500	-
Proceeds from loans and borrowings	623	3,976
Repayment of loans and borrowings	(3,453)	(391)
Payment of principal portion of lease liabilities	(482)	(207)
Advances from Third Party	4,982	-
Net cash generated from financing activities	<u>3,170</u>	<u>3,378</u>
Net increase in cash & cash equivalents	7,650	3,058
Effect of exchange rate changes on cash and cash equivalents	(134)	119
Cash and cash equivalents at beginning of financial period	<u>6,455</u>	<u>4,469</u>
Cash and cash equivalents at end of financial period	A <u><u>13,971</u></u>	<u><u>7,646</u></u>

Note A: Cash and cash equivalents

Cash and cash equivalents consists of bank balances and fixed deposits.

Cash and cash equivalents included in consolidated statement of cash flows comprise the following balance sheet amounts:

	Jun-2022 S\$'000	Jun-2021 S\$'000
Cash and bank balances	8,494	7,646
Fixed deposits	-	1,500
Add: Cash at bank reclassified under asset held for sale	5,477	-
	<u>13,971</u>	<u>9,146</u>
Less : Restricted cash*	-	(1,500)
Cash and cash equivalents	<u><u>13,971</u></u>	<u><u>7,646</u></u>

*As at 30 June 2021, there was S\$1.5m cash at bank held by the Group placed with the banks of subsidiary companies, which was used to pledge as collateral for the short term loan and issuance of commercial bills. As at 30 June 2022, such loan has been repaid.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company								Total
	Share capital	Capital reserve	General reserve	Enterprise expansion fund	Translation reserve	Retained losses	Sub-total	Non-controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group									
As at 01-January-2021	24,603	294	4,417	4,417	40	(21,243)	12,528	1,403	13,931
Loss for the period	-	-	-	-	-	(2,238)	(2,238)	(1,076)	(3,314)
Other comprehensive income for the period	-	-	-	-	98	-	98	26	124
Total comprehensive loss for the period	-	-	-	-	98	(2,238)	(2,140)	(1,050)	(3,190)
As at 30-June-2021	24,603	294	4,417	4,417	138	(23,481)	10,388	353	10,741
As at 01-January-2022	24,603	294	4,417	4,417	244	(26,173)	7,802	(726)	7,076
Loss for the period	-	-	-	-	-	(2,356)	(2,356)	(998)	(3,354)
Other comprehensive loss for the period	-	-	-	-	(206)	-	(206)	64	(142)
Total comprehensive loss for the period	-	-	-	-	(206)	(2,356)	(2,562)	(934)	(3,496)
As at 30-June-2022	24,603	294	4,417	4,417	38	(28,529)	5,240	(1,660)	3,580
Company									
As at 01-January-2021	24,603	-	-	-	-	(16,347)	8,256	-	8,256
Loss for the period	-	-	-	-	-	(604)	(604)	-	(604)
As at 30-June-2021	24,603	-	-	-	-	(16,951)	7,652	-	7,652
As at 01-January-2022	24,603	-	-	-	-	(17,336)	7,267	-	7,267
Loss for the period	-	-	-	-	-	(1,068)	(1,068)	-	(1,068)
As at 30-June-2022	24,603	-	-	-	-	(18,404)	6,199	-	6,199

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and subsidiary holdings held against the total percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no change in the Company's share capital for the six-month period ended 30 June 2022. There were no outstanding convertibles, treasury shares or subsidiary holdings held by the Company as at 30 June 2022 and 30 June 2021.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

There were no treasury shares as at 30 June 2022. The share capital of the Company comprises 311,698,153 ordinary shares as at 30 June 2022 (31 December 2021 : 311,698,153 ordinary shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares as at 30 June 2022.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company did not hold any subsidiary holdings as at 31 December 2021 and 30 June 2022.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

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

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2021 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

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 and Company have applied the same accounting policies and methods of computation for the current reporting period compared with the audited financial statements as at 31 December 2021.

The condensed interim financial statements of the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Loss per share based on loss for the period attributable to owners of the Company		6 Mths Ended	6 Mths Ended
		Jun-2022	Jun-2021
		Cents	Cents
(a)	Based on weighted average number of ordinary shares	(0.76)	(0.72)
(b)	Based on a fully diluted basis	(0.76)	(0.72)
	Weighted average number of ordinary shares in issue	311,698,153	311,698,153

Loss per share was calculated based on 311,698,153 ordinary shares in issue for the half-year ended 30 June 2022 and 30 June 2021.

7 **Net asset value (for the issuer and group) per ordinary share based on the total number of shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	Cents		Cents	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
Net asset value per ordinary share	1.68	2.50	1.99	2.33

Net asset value per share as of 30 June 2022 was computed based on the equity attributable to the Owners of the Company of S\$5.2m (31 December 2021 : S\$7.8m) and 311,698,153 ordinary shares (31 December 2021 : 311,698,153 ordinary shares) as at 30 June 2022.

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) **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; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of financial performance

Revenue

The Group recorded a total revenue of S\$7.8m for the half-year ended 30 June 2022 ("HY2022"), representing a drop of S\$2.4m or 23.7% as compared to the corresponding period ended 30 June 2021 ("HY2021") of S\$10.2m. The decrease in the revenue for HY2022 was due mainly to the COVID-19 pandemic lockdown in China that has disrupted the Group's supply chain.

Gross Profit

Gross profit reduced by S\$0.1m from S\$1.5m in HY2021 to S\$1.4m in HY2022 due mainly to lower revenue but offset by better gross profit margin of 18.4% in HY2022 compared to 14.8% in HY2021 due mainly to better sales mix.

Net Operating Expenses

Overall, net operating expenses remained relatively unchanged at S\$4.5m in HY2021 and HY2022, as the slight increase in general and administrative expenses and other expenses were offset by the write back of impairment losses on trade receivables.

Net Financial Expense

The Group recorded a net finance expenses of S\$298k in HY2022, as compared to S\$342k in HY2021.

Tax

Taxation is in line with profits made by certain subsidiaries in China and Malaysia.

Net Results

As a result of the above, the Group's loss before tax remained relatively unchanged at S\$3.3m in HY2022 and HY2021. The loss for the period attributable to owners of the Group is approximately S\$2.36m in HY2022, as compared to S\$2.24m in HY2021.

Review of financial position

The Group's PPE including the land use rights and right-of-use assets were at S\$2.3m and S\$0.9m as at 30 June 2022 and 31 December 2021 respectively. The increase in PPE was mainly attributable to the increase of right-of-use assets of S\$1.5m which arises from the adoption of SFRS(I) 16 Leases in relation to office rental.

Intangible assets reduced by S\$78k as at 30 June 2022 as compared to 31 December 2021 due mainly to amortisation.

Inventories increased slightly from S\$2.5m as at 31 December 2021 to S\$2.7m as at 30 June 2022 due mainly to cost savings from bulk purchase of materials.

Financial assets carried at amortised costs comprise the following: -

	Group	
	Jun-2022	Dec-2021
	\$'000	\$'000
Trade receivables	1,577	1,778
Notes Receivable	1,180	376
Total Trade and notes receivables	2,757	2,154
Add:		
Other Receivables	995	1,083
Deposit	46	39
Cash and bank balances	8,494	5,654
Fixed deposits	-	1,501
Total financial assets carried at amortised cost	12,292	10,431

Current and non-current trade and notes receivables increased from S\$2.2m as at 31 December 2021 to S\$2.8m as at 30 June 2022, due mainly to the increased notes receivables from customers as a result of relatively higher sales registered towards the end of 30 June 2022.

Other receivables decreased by S\$88k to S\$995k as at 30 June 2022, in line with the reduction in sales.

Prepayment has reduced by S\$115k to S\$69k as at 30 June 2022 from S\$184k as at 31 December 2021, due mainly to reduction in advance payment to suppliers.

Cash and bank balances for the period increased from S\$5.7m as at 31 December 2021 to S\$8.5m as at 30 June 2022. The increase in cash was due mainly to the partial payment of proceeds from the buyer of Matex Chemicals (Taixing) Co., Ltd. ("MCT") as set out in the Company's announcement dated 7 April 2021.

Financial liabilities at amortised cost comprise the following:-

	Group	
	Jun-2022	Dec-2021
	\$'000	\$'000
Trade payables	1,773	1,328
Add:		
Other payables and accruals *	8,858	4,981
Lease liabilities	1,691	674
Term loans	5,723	5,447
Less:		
Provision for unutilised leave	(38)	(38)
Deferred capital grant	-	(170)
Total financial liabilities at amortised cost	18,007	12,222

* Other Payables and Accruals

	Group	
	Jun-2022	Dec-2021
	\$'000	\$'000
Other Payables	8,497	4,586
Accrued operating expenses	176	237
Accrued payroll related expenses	185	158
Total other payables and accruals	8,858	4,981

Trade payables increased by S\$0.4m from S\$1.33m as at 31 December 2021 to S\$1.77m as at 30 June 2022. The increase in trade payables was due mainly to COVID-19 lockdown in China as payments to suppliers were delayed.

Other payables and accruals increased by S\$3.9m from S\$5.0m as at 31 December 2021 to S\$8.9m as at 30 June 2022, due mainly to advances from buyer of Amly Chemicals Co., Ltd. ("ACL") of RMB24m (approximately S\$5.0m) as set out in the Company's announcement dated 23 February 2022.

Term loans increased by S\$0.3m from S\$5.4m as at 31 December 2021 to S\$5.7m as at 30 June 2022, due mainly to the increase in loans and borrowings of S\$0.6m which was used mainly as working capital and for financing of purchases made in the ordinary course of business, and partially offset by repayment in loans and borrowings.

Overall, Group's equity as at 30 June 2022 was S\$3.6m, a reduction of approximately S\$3.5m or 50.6% as compared to S\$7.1m as at 31 December 2021. Group's equity attributable to the owners of the Company decreased by S\$2.6m from S\$7.8m as at 31 December 2021 to S\$5.2m as at 30 June 2022. This was due mainly to the loss incurred during HY2022.

Review of cash flow

Net cash generated from operating activities

In HY2022, approximately S\$4.6m of net cash was generated from the operating activities, which was a result of operating loss before changes in working capital of S\$2.1m, net working capital inflows of approximately S\$6.9m and net interest and tax expense of S\$0.2m.

Net cash used in investing activities

In HY2022, the Group's net cash outflow from investing activities amounted to approximately S\$71k, due mainly to the purchase of property, plant and equipment.

Net cash from financing activities

In HY2022, the Group's net cash inflow from financing activities amounted to approximately S\$3.1m, due mainly to the advances from buyer of ACL of S\$5.0m, reduction of restricted cash of S\$1.5m and loan repayments of S\$3.5m.

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

There has not been any forecast or prospect statement in relation to the Group's results previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In the next 6 months, we expect that the continued global inflation risk, supply chain disruptions and cost pressures along with China's ongoing policy on zero COVID, resulting in curbs in big cities and manufacturing hubs across China, may impede the global economy recovery.

Matex will continue to invest into emerging industries like health and well-being, environmental and clean energy solutions, lifestyle wear with sustainable products and solutions that the Company believes can add value to help its customers, brands and stakeholders to differentiate and innovate. With our asset-light strategy, Matex aims to put more efforts into joint strategic partnerships by strengthening its distribution channels, innovating green product research and development and to streamline manufacturing.

The Company had on 7 April 2021 announced the strategic disposal of the Group's 60% equity interest in MCT ("**Proposed Disposal**"), and had on 28 April 2021, obtained Shareholders' approval for the Proposed Disposal at the extraordinary general meeting ("**EGM**") held on the same day. The Proposed Disposal is subject to certain conditions precedent, including having the shareholders of the remaining 40% equity interest in MCT to also sell their stakes to the purchaser.

As an update, the above condition precedent has yet to be fulfilled. As Shenyang Chemical Research Institute Co., is a PRC state-owned company and Shanghai Tangzhen Investment Development Group Co. Ltd is a company 100% owned by Tangzhen government, the regulations and procedures for them to dispose of the 40% equity interest in MCT are time-consuming especially under current China's zero COVID-19 policy. Though both of them have given their consent for the disposal to the same buyer, they will need more time to go through the procedures. The Company estimates that it will take till end-2022 to complete the sale process. The buyer has agreed to further extend the Acquisition Agreement until 31 December 2022. The Company will provide appropriate updates in due course.

The Company had on 23 February 2022, entered into a Sale & Purchase Agreement in relation to the proposed disposal of ACL. The proposed disposal of ACL was approved at an EGM held on the same day after our AGM on 29 April 2022. The buyer is preparing to remit the 1st payment of RMB34m (approximately S\$7m) net of tax, which the Company expect to receive by end of August 2022. The Company expects the sale to complete before the end of 2022.

The Company had on 4 August 2021 entered into a non-binding Memorandum of Understanding with White Group Pte. Ltd. Pursuant to further deliberation, the Company has decided not to proceed with the project as it is not a suitable fit with our current business.

Concurrently, the Company is actively exploring suitable businesses and opportunities for diversification with the funds expected to be obtained from the sale of MCT and ACL.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared/(recommended) for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared/(recommended) for the corresponding period of the immediately preceding financial year?

None.

(c) Whether the dividend is before tax, net of tax or tax exempt

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

No dividend has been declared/(recommended) as the Group is not profitable.

13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions.

During the financial year, there were interested person transactions based on the terms agreed between the parties as follows:

Group	
Jun-22	Jun-21
S\$'000	S\$'000
28	24

Fees incurred or paid to a law firm which our Director, Mr Wang Dao Fu, is a partner of.

14 Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

There were no acquisitions or realisation of shares in any of the Group's subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during HY2022.

15 Negative confirmation pursuant to the Rule 705(5).

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to its attention which may render financial results for HY2022 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

Dr Tan Pang Kee
Chief Executive Officer / Managing Director

Mr Dro Tan Guan Liang
Executive Director

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

The Company has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7H of the Catalist Rules, in accordance with Rule 720(1) of Catalist Rules.

17 Segmented revenue and results for operating segments (of the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	PRC		Other Asia Pacific		Eliminations		Group	
	6 Mths Ended		6 Mths Ended		6 Mths Ended		6 Mths Ended	
	Jun-2022	Jun-2021	Jun-2022	Jun-2021	Jun-2022	Jun-2021	Jun-2022	Jun-
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue								
Sales to external customers	5,356	7,107	2,429	3,101	-	-	7,785	10,208
Inter-segment sales	4,368	3,536	240	138	(4,608)	(3,674)	-	-
Total revenue	9,724	10,643	2,669	3,239			7,785	10,208
Segment results	(1,774)	(2,328)	(1,264)	(655)	(5)	15	(3,042)	(2,968)
Financial expense, net							(298)	(342)
Loss before tax							(3,340)	(3,310)
Income tax							(14)	(4)
Loss after tax							(3,354)	(3,314)
Non-controlling interest							998	1,076
Loss attributable to owners of the parent							(2,356)	(2,238)

The revenue of the Group is primarily derived from the manufacturing and sale of dye stuffs and auxiliary chemicals. As such, no operating segment revenue and results have been prepared.

18 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8 of this announcement for a review of the performance of the Group.

BY ORDER OF THE BOARD

Dr Tan Pang Kee
Chief Executive Officer / Managing Director

12 August 2022

This document has been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. ("Sponsor"), for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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