



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

Condensed Interim Consolidated Financial Statements
and Dividend Announcement
For the six months and full year ended 30 June 2023

The following definitions apply throughout this announcement:

- 2H – Second half year from 1 January to 30 June of the respective financial years.
- FY – Financial year ended or ending 30 June, as the case may be.
- NM – Not meaningful.
- SFRS(I) – Singapore Financial Reporting Standards (International).

A. Condensed interim consolidated statement of comprehensive income

	Note	Group			Group		
		2HFY2023 \$'000	2HFY2022 \$'000	+ / (-) %	FY2023 \$'000	FY2022 \$'000	+ / (-) %
Revenue	E5	30,788	26,860	15	59,143	55,595	6
Cost of revenue		(24,821)	(20,980)	18	(47,475)	(43,447)	9
Gross profit		<u>5,967</u>	<u>5,880</u>	1	<u>11,668</u>	<u>12,148</u>	(4)
Other income	E6	606	971	(38)	1,141	1,262	(10)
Fair value gain on investment property		327	238	37	430	1,916	(78)
Distribution expenses		(1,972)	(1,792)	10	(3,772)	(3,757)	0
Administrative expenses		(4,730)	(4,131)	15	(9,197)	(7,982)	15
Other expenses	E6	(323)	-	NM	(323)	-	NM
Results from operating activities	E6	<u>(125)</u>	<u>1,166</u>	NM	<u>(53)</u>	<u>3,587</u>	NM
Finance income	E7	792	80	>300	1,249	130	>300
Finance costs		(17)	(13)	31	(34)	(26)	31
Share of results of joint venture (net of tax)		(33)	-	NM	(47)	110	NM
Profit before tax		<u>617</u>	<u>1,233</u>	(50)	<u>1,115</u>	<u>3,801</u>	(71)
Tax expense	E8	(106)	(192)	(45)	(417)	(614)	(32)
Profit for the year		<u>511</u>	<u>1,041</u>	(51)	<u>698</u>	<u>3,187</u>	(78)
Other comprehensive income							
<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		839	(685)	NM	(1,700)	(17)	>300
<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>20</u>	<u>125</u>	(84)	<u>(590)</u>	<u>548</u>	NM
Total other comprehensive income for the year, net of tax		<u>859</u>	<u>(560)</u>	NM	<u>(2,290)</u>	<u>531</u>	NM
Total comprehensive income for the year		<u>1,370</u>	<u>481</u>	185	<u>(1,592)</u>	<u>3,718</u>	NM

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

	Group			Group			
	Note	2HFY2023	2HFY2022	+ / (-)	FY2023	FY2022	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Profit/(Loss) attributable to:							
Owners of the Company		742	1,157	(36)	2,048	2,751	(26)
Non-controlling interests		(231)	(116)	99	(1,350)	436	NM
Profit for the year		<u>511</u>	<u>1,041</u>	(51)	<u>698</u>	<u>3,187</u>	(78)
Total comprehensive income attributable to:							
Owners of the Company		1,328	699	90	(26)	3,258	NM
Non-controlling interests		42	(218)	NM	(1,566)	460	NM
Total comprehensive income for the year		<u>1,370</u>	<u>481</u>	185	<u>(1,592)</u>	<u>3,718</u>	NM
Earnings per share							
- Basic and diluted (cents)	E18	<u>0.45</u>	<u>0.69</u>	(35)	<u>1.23</u>	<u>1.65</u>	(25)

B. Condensed interim statements of financial position

	Note	Group		Company	
		30.06.2023 \$'000	30.06.2022 \$'000	30.06.2023 \$'000	30.06.2022 \$'000
Non-current assets					
Plant and equipment	E17	2,367	1,978	11	4
Investment property	E9	23,855	24,202	-	-
Intangible assets and goodwill	E10	22,190	22,455	73	101
Right-of-use assets	E11	6,659	993	-	-
Subsidiaries		-	-	46,243	31,385
Joint venture		72	121	-	-
Financial assets	E12	11,176	12,896	8,143	9,704
Amounts due from related parties		-	-	15,529	14,296
Deferred tax assets		21	13	-	-
		<u>66,340</u>	<u>62,658</u>	<u>69,999</u>	<u>55,490</u>
Current assets					
Trade and other receivables		14,065	14,679	127	52
Inventories		4,567	4,540	-	-
Amounts due from related parties		356	334	1,307	631
Cash and cash equivalents	E14	55,189	61,681	31,568	47,900
		<u>74,177</u>	<u>81,234</u>	<u>33,002</u>	<u>48,583</u>
Total assets		<u>140,517</u>	<u>143,892</u>	<u>103,001</u>	<u>104,073</u>
Equity attributable to owners of the Company					
Share capital	E15	89,566	89,566	89,566	89,566
Treasury shares	E15	(233)	(126)	(233)	(126)
Reserves		(14,456)	(12,165)	(864)	107
Retained earnings		32,288	36,365	12,168	11,849
		<u>107,165</u>	<u>113,640</u>	<u>100,637</u>	<u>101,396</u>
Non-controlling interests		12,558	8,022	-	-
Total equity		<u>119,723</u>	<u>121,662</u>	<u>100,637</u>	<u>101,396</u>
Non-current liabilities					
Lease liabilities		557	525	-	-
Provisions		174	176	-	-
Deferred tax liabilities		738	804	-	-
		<u>1,469</u>	<u>1,505</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables		16,224	18,110	1,194	1,486
Amounts due to related parties		1,739	1,539	1,159	1,191
Lease liabilities		375	480	-	-
Provisions		315	119	-	-
Income tax payable		672	477	11	-
		<u>19,325</u>	<u>20,725</u>	<u>2,364</u>	<u>2,677</u>
Total liabilities		<u>20,794</u>	<u>22,230</u>	<u>2,364</u>	<u>2,677</u>
Total equity and liabilities		<u>140,517</u>	<u>143,892</u>	<u>103,001</u>	<u>104,073</u>

**C. Condensed interim statements of changes in equity
For the year ended 30 June 2023**

Group	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance as at 1 July 2022	89,566	(126)	(11,648)	(57)	(460)	36,365	113,640	8,022	121,662
Total comprehensive income for the year									
Profit/(Loss) for the year	-	-	-	-	-	2,048	2,048	(1,350)	698
Other comprehensive income									
Exchange differences arising from translation of financial statements of foreign operations	-	-	-	-	(1,484)	-	(1,484)	(216)	(1,700)
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	(590)	-	-	(590)	-	(590)
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	-	-	-	(807)	(1,484)	217	(2,074)	(216)	(2,290)
Total comprehensive income for the year	-	-	-	(807)	(1,484)	2,265	(26)	(1,566)	(1,592)
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Final dividend of 1.00 cent per share in respect of 2022	-	-	-	-	-	(1,666)	(1,666)	-	(1,666)
Purchase of treasury shares	-	(107)	-	-	-	-	(107)	-	(107)
Total contributions by and distributions to owners	-	(107)	-	-	-	(1,666)	(1,773)	-	(1,773)
Changes in ownership interests in subsidiaries									
Capital injections by non-controlling interests	-	-	-	-	-	-	-	5,426	5,426
Acquisition of additional interest in a subsidiary	-	-	-	-	-	(4,676)	(4,676)	676	(4,000)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(4,676)	(4,676)	6,102	1,426
Total transactions with owners	-	(107)	-	-	-	(6,342)	(6,449)	6,102	(347)
Balance as at 30 June 2023	89,566	(233)	(11,648)	(864)	(1,944)	32,288	107,165	12,558	119,723

C. Condensed interim statements of changes in equity (cont'd)
For the year ended 30 June 2022

Group	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance as at 1 July 2021	89,566	(126)	(11,648)	105	(419)	36,237	113,715	7,045	120,760
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	2,751	2,751	436	3,187
Other comprehensive income									
Exchange differences arising from translation of financial statements of foreign operations	-	-	-	-	(41)	-	(41)	24	(17)
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	548	-	-	548	-	548
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	(710)	-	710	-	-	-
Total other comprehensive income, net of tax	-	-	-	(162)	(41)	710	507	24	531
Total comprehensive income for the year	-	-	-	(162)	(41)	3,461	3,258	460	3,718
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Final dividend of 2.00 cents per share in respect of 2021	-	-	-	-	-	(3,333)	(3,333)	-	(3,333)
Total contributions by and distributions to owners	-	-	-	-	-	(3,333)	(3,333)	-	(3,333)
Changes in ownership interests in subsidiaries									
Capital injection by non-controlling interest	-	-	-	-	-	-	-	344	344
Acquisition of a subsidiary (Note D-1)	-	-	-	-	-	-	-	173	173
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	517	517
Total transactions with owners	-	-	-	-	-	(3,333)	(3,333)	517	(2,816)
Balance as at 30 June 2022	89,566	(126)	(11,648)	(57)	(460)	36,365	113,640	8,022	121,662

**C. Condensed interim statements of changes in equity (cont'd)
For the year ended 30 June 2023**

Company	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2022	89,566	(126)	107	11,849	101,396
Total comprehensive income for the year					
Profit for the year	-	-	-	1,768	1,768
Other comprehensive income					
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	(754)	-	(754)
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	-	-	(971)	217	(754)
Total comprehensive income for the year	-	-	(971)	1,985	1,014
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Final dividend of 1.00 cent per share in respect of 2022	-	-	-	(1,666)	(1,666)
Purchase of treasury shares	-	(107)	-	-	(107)
Total contributions by and distributions to owners	-	(107)	-	(1,666)	(1,773)
Total transactions with owners	-	(107)	-	(1,666)	(1,773)
Balance as at 30 June 2023	89,566	(233)	(864)	12,168	100,637

For the year ended 30 June 2022

Company	Share capital \$'000	Treasury shares \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 July 2021	89,566	(126)	29	14,683	104,152
Total comprehensive income for the year					
Loss for the year	-	-	-	(211)	(211)
Other comprehensive income					
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	788	-	788
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	(710)	710	-
Total other comprehensive income, net of tax	-	-	78	710	788
Total comprehensive income for the year	-	-	78	499	577
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Final dividend of 2.00 cents per share in respect of 2021	-	-	-	(3,333)	(3,333)
Total contributions by and distributions to owners	-	-	-	(3,333)	(3,333)
Total transactions with owners	-	-	-	(3,333)	(3,333)
Balance as at 30 June 2022	89,566	(126)	107	11,849	101,396

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		FY2023 \$'000	FY2022 \$'000
Cash flows from operating activities			
Profit for the year		698	3,187
Adjustments for:			
Amortisation of intangible assets	E6	220	198
Depreciation of plant and equipment	E6	454	465
Depreciation of right-of-use assets	E6	784	567
Dividend income from financial assets	E6	(453)	(781)
Fair value gain on investment property	E9	(430)	(1,916)
Fair value loss on financial assets at fair value through profit or loss	E6	323	-
Finance income	E7	(1,249)	(130)
Finance costs		34	26
Impairment loss on trade and other receivables	E6	95	86
Reversal of impairment loss on trade and other receivables	E6	(62)	-
Inventories written down	E6	81	50
Provision for onerous contracts	E6	236	81
Gain on disposal of plant and equipment, net	E6	(22)	(20)
Gain on disposal of right-of-use assets	E6	-	(13)
Share of results of joint venture (net of tax)		47	(110)
Tax expense	E8	417	614
Operating cash flows before working capital changes		<u>1,173</u>	<u>2,304</u>
Changes in:			
Amounts due from/(to) related parties		(179)	946
Inventories		(191)	(655)
Trade and other receivables		410	(219)
Trade and other payables		(1,740)	2,295
Cash (used in)/generated from operations		<u>(527)</u>	<u>4,671</u>
Interest received		1,152	120
Tax paid		(254)	(415)
Net cash generated from operating activities		<u>371</u>	<u>4,376</u>
Cash flows from investing activities			
Dividends received from financial assets	E6	453	781
Return of capital from a financial asset		-	155
Net cash outflow on acquisition of a subsidiary	D-1	-	(3,204)
Acquisition of additional interest in a subsidiary	D-2	(4,000)	-
Land premium and ancillary costs paid	D-3	(5,929)	-
Purchase of intangible assets	E10	(27)	(132)
Purchase of investment property		-	(1,415)
Purchase of plant and equipment	E17	(862)	(412)
Purchase of financial assets		(902)	(3,833)
Proceeds from disposal of plant and equipment		25	34
Proceeds from government grants		70	-
Proceeds from disposal of financial assets	E12	1,709	4,573
Net cash used in investing activities		<u>(9,463)</u>	<u>(3,453)</u>

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

	Note	Group	
		FY2023 \$'000	FY2022 \$'000
Cash flows from financing activities			
Capital injections by non-controlling interests		5,426	344
Dividends paid		(1,666)	(3,333)
Proceeds from bank borrowing		153	-
Repayment of bank borrowing		(153)	-
Purchase of treasury shares	E15	(107)	-
Payment of principal portion of lease liabilities		(594)	(597)
Interest paid		(34)	(26)
Net cash generated from/(used in) financing activities		3,025	(3,612)
Net decrease in cash and cash equivalents			
		(6,067)	(2,689)
Cash and cash equivalents at beginning of year		61,681	64,404
Effects of exchange rate fluctuations on cash held		(425)	(34)
Cash and cash equivalents at end of year	E14	55,189	61,681

D-1 On 30 June 2022, Ellipsiz Agro Investments Pte Ltd (“EAIPL”), a wholly-owned subsidiary of the Company, acquired a 40% interest in ISE Capital Management Pte Ltd (“ICM”) for a consideration of \$4,000,000. ICM holds a 70% interest in ISE Foods Holdings Pte Ltd (“IFH”) which will be developing and operating the 4th egg farm in Singapore.

EAIPL had carried out a purchase price allocation exercise during the financial year to determine the fair value of the net assets/(liabilities) acquired at the acquisition date and had retrospectively adjusted the provisional goodwill recorded on completion of the exercise.

The fair value of the identifiable net assets/(liabilities) of ICM was as follows:

	Provisional amount previously reported \$'000	Fair value adjustments \$'000	Final amount \$'000
Assets			
Plant and equipment	560	-	560
Right-of-use assets	76	-	76
Intangible assets	2	-	2
Trade and other receivables	388	(240)	148
Cash and cash equivalents	796	-	796
	<u>1,822</u>	<u>(240)</u>	<u>1,582</u>
Liabilities			
Trade and other payables	(1,556)	40	(1,516)
Lease liabilities	(76)	-	(76)
	<u>(1,632)</u>	<u>40</u>	<u>(1,592)</u>
Total identifiable net liabilities at fair value	190	(200)	(10)
Less: Non-controlling interests measured at non-controlling interests' proportionate share of net liabilities	(293)	120	(173)
Add: Goodwill arising from acquisition	4,103	80	4,183
	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total purchase consideration	(4,000)	-	(4,000)
Add: Cash and cash equivalents acquired	796	-	796
Net cash outflow	<u>(3,204)</u>	<u>-</u>	<u>(3,204)</u>

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

- D-2** On 10 April 2023, EAIPL acquired an additional 40,000 ordinary shares in ICM representing 40% of the issued and paid up share capital of ICM from its non-controlling interest for a consideration of \$4,000,000. With this additional acquisition, EAIPL's shareholding interest in ICM increased to 80%.
- D-3** 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 full year ended 30 June 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 eggs¹.

2. Basis of preparation

The condensed interim consolidated financial statements 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 interim financial statements for the six months period ended 31 December 2022.

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

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

2.1. New and amended standards adopted by the Group

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

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

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

2. Basis of preparation (cont'd)

2.2. Significant accounting judgements, estimates and assumptions

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

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

3. Seasonal operations

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

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	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and expenses												
Total revenue from external customers	56,095	52,036	3,048	3,535	-	-	-	-	-	-	59,143	55,571
Inter-segment revenue	28	28	1,907	1,030	-	-	-	-	(1,935)	(1,058)	-	-
	<u>56,123</u>	<u>52,064</u>	<u>4,955</u>	<u>4,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,935)</u>	<u>(1,058)</u>	<u>59,143</u>	<u>55,571</u>
Unallocated corporate revenue											-	24
											<u>59,143</u>	<u>55,595</u>
Segment results	<u>3,226</u>	<u>2,690</u>	<u>(553)</u>	<u>(71)</u>	<u>534</u>	<u>2,232</u>	<u>(1,780)</u>	<u>(183)</u>	-	-	<u>1,427</u>	<u>4,668</u>
Unallocated corporate results											<u>(1,480)</u>	<u>(1,081)</u>
											<u>(53)</u>	<u>3,587</u>
Share of results of joint venture (Loss)/Profit before finance income/(costs) and tax expense	(47)	110	-	-	-	-	-	-	-	-	<u>(47)</u>	<u>110</u>
Finance income											1,249	130
Finance costs											(34)	(26)
Tax expense											(417)	(614)
Non-controlling interests											<u>1,350</u>	<u>(436)</u>
Profit for the year attributable to owners of the Company											<u>2,048</u>	<u>2,751</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	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets and liabilities												
Segment assets	44,255	45,543	6,327	7,347	28,747	29,843	22,887	5,765	(551)	(1,008)	101,665	87,490
Investment in joint venture	72	121	-	-	-	-	-	-	-	-	72	121
Tax recoverables	92	119	-	-	-	-	-	-	-	-	92	119
Deferred tax assets	21	13	-	-	-	-	-	-	-	-	21	13
Unallocated corporate and other assets											38,667	56,149
Total assets											<u>140,517</u>	<u>143,892</u>
Segment liabilities	13,960	15,430	2,300	2,797	423	462	2,036	1,754	(551)	(1,004)	18,168	19,439
Income tax payable	659	470	1	6	1	1	-	-	-	-	661	477
Deferred tax liabilities	-	30	142	169	596	605	-	-	-	-	738	804
Unallocated corporate and other liabilities											1,227	1,510
Total liabilities											<u>20,794</u>	<u>22,230</u>
Capital expenditure												
- allocated to reportable segments	29	295	11	174	-	1,484	816	-	-	-	856	1,953
- unallocated corporate and others											33	75
Total capital expenditure											<u>889</u>	<u>2,028</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	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other items												
Amortisation of intangible assets												
- allocated to reportable segments	(29)	(24)	(171)	(174)	-	-	-	-	-	-	(200)	(198)
- unallocated corporate expenses											(20)	-
											<u>(220)</u>	<u>(198)</u>
Dividend income from financial assets												
- allocated to reportable segments	-	-	-	-	241	549	-	-	-	-	241	549
- unallocated corporate income											212	232
											<u>453</u>	<u>781</u>
Depreciation of plant and equipment												
- allocated to reportable segments	(161)	(201)	(53)	(45)	-	-	(20)	-	-	-	(234)	(246)
- unallocated corporate expenses											(220)	(219)
											<u>(454)</u>	<u>(465)</u>
Depreciation of right-of-use assets	(378)	(439)	(124)	(128)	-	-	(282)	-	-	-	(784)	(567)
Fair value gain on investment property	-	-	-	-	430	1,916	-	-	-	-	430	1,916
Fair value loss on financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	(323)	-
Government grants, subsidies and rebates												
- allocated to reportable segments	150	118	42	101	-	-	21	-	-	-	213	219
- unallocated corporate income											9	12
											<u>222</u>	<u>231</u>

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

4. Operating segments (cont'd)

Geographical information

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

Group	Singapore		Malaysia		China		Taiwan		Indonesia		Other Regions		Consolidated	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	32,867	30,738	5,777	8,003	15,490	12,035	4,185	4,157	-	-	824	662	59,143	55,595
Non-current segment assets	30,795	25,176	87	29	81	85	325	257	-	-	-	-	31,288	25,547
Investment property	-	-	-	-	-	-	-	-	23,855	24,202	-	-	23,855	24,202
Financial assets	11,176	12,896	-	-	-	-	-	-	-	-	-	-	11,176	12,896
Deferred tax assets	10	10	-	-	-	-	11	3	-	-	-	-	21	13
Total non-current assets	41,981	38,082	87	29	81	85	336	260	23,855	24,202	-	-	66,340	62,658
Capital expenditure	881	268	5	3	3	2	-	271	-	1,484	-	-	889	2,028

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

5. Revenue

	Group		Group	
	2HFY2023	2HFY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Sale of goods	29,222	24,544	55,900	51,074
Service income	1,540	2,258	3,187	4,252
Commission income	26	58	56	269
	<u>30,788</u>	<u>26,860</u>	<u>59,143</u>	<u>55,595</u>
Timing of revenue recognition				
At a point in time	28,965	24,602	55,673	51,343
Over time	1,823	2,258	3,470	4,252
	<u>30,788</u>	<u>26,860</u>	<u>59,143</u>	<u>55,595</u>

6. Results from operating activities

Significant items

	Group		Group	
	2HFY2023	2HFY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Other income				
Dividend income from financial assets	209	538	453	781
Exchange gain, net	206	252	344	188
Gain on disposal of plant and equipment, net	22	-	22	20
Gain on disposal of right-of-use assets	-	13	-	13
Government grants and subsidies	72	155	222	231
Reversal of impairment loss on trade and other receivables	62	-	62	-
Sundry income	35	13	38	29
	<u>606</u>	<u>971</u>	<u>1,141</u>	<u>1,262</u>
Other expenses				
Fair value loss on financial assets at fair value through profit or loss	323	-	323	-
Amortisation of intangible assets	106	99	220	198
Depreciation of plant and equipment	231	235	454	465
Depreciation of right-of-use assets	366	282	784	567
Impairment loss on trade and other receivables	95	86	95	86
Inventories written down	81	4	81	50
Operating lease expenses	121	11	170	22
Provision for onerous contracts	102	81	236	81

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

7. Finance income

	Group		Group	
	2HFY2023	2HFY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Interest income from financial institutions	792	80	1,249	130

8. Tax expense

	Group		Group	
	2HFY2023	2HFY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Current tax expense				
Current year	274	119	614	437
Withholding tax	4	17	10	20
(Over)/Under provision in respect of prior years	(153)	17	(153)	14
	125	153	471	471
Deferred tax (credit)/expense				
Origination and reversal of temporary differences	(19)	39	(54)	143
Tax expense recognised in profit or loss	106	192	417	614

9. Investment property

	Group	
	30.06.2023	30.06.2022
	\$'000	\$'000
At 1 July	24,202	20,632
Additions	-	1,357
Direct costs	-	127
Gain from fair value adjustment recognised in profit or loss	430	1,916
Exchange differences	(777)	170
At 30 June	23,855	24,202

Valuation of investment property

The investment property is stated at fair value, which was determined based on a valuation performed as at 30 June 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 E13 on page 25.

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

10. Intangible assets and goodwill

Group	Computer software \$'000	Technology licence \$'000	Customer	Goodwill \$'000	Total \$'000
			relationships and backlog orders \$'000		
Cost					
At 1 July 2021	534	161	1,481	17,199	19,375
Acquisition of a subsidiary	2	-	-	4,183	4,185
Additions	132	-	-	-	132
Write-offs	-	(161)	-	-	(161)
Adjustments	-	-	(61)	-	(61)
Exchange differences	-	-	-	(2)	(2)
At 30 June 2022 and 1 July 2022	668	-	1,420	21,380	23,468
Additions	27	-	-	-	27
Government grants	(70)	-	-	-	(70)
Exchange differences	(1)	-	-	(2)	(3)
At 30 June 2023	624	-	1,420	21,378	23,422
Accumulated amortisation					
At 1 July 2021	339	161	330	206	1,036
Charge for the year	40	-	158	-	198
Write-offs	-	(161)	-	-	(161)
Adjustments	-	-	(61)	-	(61)
Exchange differences	1	-	-	-	1
At 30 June 2022 and 1 July 2022	380	-	427	206	1,013
Charge for the year	62	-	158	-	220
Exchange differences	(1)	-	-	-	(1)
At 30 June 2023	441	-	585	206	1,232
Carrying amounts					
At 30 June 2022	288	-	993	21,174	22,455
At 30 June 2023	183	-	835	21,172	22,190

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

10. Intangible assets and goodwill (cont'd)

Company	Computer software \$'000
Cost	
At 1 July 2021	29
Additions	72
At 30 June 2022 and 1 July 2022	101
Additions	22
Government grants	(30)
At 30 June 2023	93
Accumulated amortisation	
At 1 July 2021, 30 June 2022 and 1 July 2022	-
Charge for the year	20
At 30 June 2023	20
Carrying amounts	
At 30 June 2022	101
At 30 June 2023	73

Goodwill arising from acquisition of a subsidiary

On 30 June 2022, EAIPL acquired a 40% interest in ICM and recorded a provisional goodwill of approximately \$4,103,000 as at 30 June 2022 for the acquisition. EAIPL had carried out a purchase price allocation exercise during the financial year and had retrospectively adjusted the provisional goodwill to \$4,183,000 on completion of the exercise. Please refer to Note D-1 on page 8 for further details.

Goodwill impairment assessment

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

	Group	
	30.06.2023	30.06.2022
	\$'000	\$'000
DSS	15,389	15,391
APSS	1,600	1,600
EPD	4,183	4,183
	21,172	21,174

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

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

10. Intangible assets and goodwill (cont'd)

Key assumptions used for VIU calculation

For the purpose of estimating the recoverable amounts of the CGUs, management had used the following key assumptions for the cash flow projections:

Group	Cash flows projection period	Average revenue growth rate %	Pre-tax discount rate %	Terminal growth rate %
2023				
DSS	Five-year	3.0	13.3	1.3
APSS	Five-year	10.7	15.6	2.0
EPD	Ten-year	7.4	12.8	1.3
2022				
DSS	Five-year	5.5	12.9	1.3
APSS	Five-year	10.3	15.6	2.0

The calculations of VIU for the CGUs are most sensitive to the following assumptions:

Revenue growth rates

The weighted average revenue growth rates per annum used are based on past performance as well as forecasts outlined in industry reports, serving as a benchmark. Management determined gross profit growth rate per annum based on past performance and its expectations of market developments.

Pre-tax discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, in relation to the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculations are based on the specific circumstances of the Group and its CGUs and are derived from its weighted average cost of capital.

Terminal growth rates

The terminal growth rates are based on the relevant industry outlook and do not exceed the long-term average growth rates for the industries relevant to the CGUs.

Sensitivity to change in assumption

DSS

Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value to materially exceed the recoverable amount.

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

10. Intangible assets and goodwill (cont'd)

Sensitivity to change in assumption (cont'd)

APSS

The estimated recoverable amount exceeds its carrying amount by approximately \$180,000 (2022: \$400,000). A decrease of 1.3% (2022: 0.7%) in the average revenue growth rate would result in the estimated recoverable amount being equal to the carrying amount.

EPD

A ten-year period projection was used for VIU calculation as the EPD segment had not commenced operations as at 30 June 2023 and it is expected to take approximately three to four years for the egg farm to achieve maximum capacity when it commences operations. The average revenue growth rate of 7.4% was derived for periods after the CGU has reached its maximum capacity. Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value to materially exceed the recoverable amount.

11. Right-of-use assets

As of 30 June 2023, the right-of-use assets comprised mainly the land premium paid by IFH for the 3 plots of land. Please refer to Note D-3 on page 9 for further details. The lease term for the 3 plots of land is 30 years.

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

12. Financial instruments by category

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

Group	Financial assets at fair value through other comprehensive income ¹ \$'000	Financial assets at fair value through profit or loss ("FVPL") \$'000	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
30.06.2023					
Assets					
Financial assets	8,143	3,033	-	-	11,176
Trade and other receivables ²	-	-	11,684	-	11,684
Amounts due from related parties	-	-	356	-	356
Cash and cash equivalents	-	-	55,189	-	55,189
	<u>8,143</u>	<u>3,033</u>	<u>67,229</u>	<u>-</u>	<u>78,405</u>
Liabilities					
Trade and other payables ³	-	-	-	(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>
30.06.2022					
Assets					
Financial assets	9,704	3,192	-	-	12,896
Trade and other receivables ²	-	-	11,370	-	11,370
Amounts due from related parties	-	-	334	-	334
Cash and cash equivalents	-	-	61,681	-	61,681
	<u>9,704</u>	<u>3,192</u>	<u>73,385</u>	<u>-</u>	<u>86,281</u>
Liabilities					
Trade and other payables ³	-	-	-	(11,195)	(11,195)
Amounts due to related parties	-	-	-	(1,539)	(1,539)
Lease liabilities	-	-	-	(1,005)	(1,005)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,739)</u>	<u>(13,739)</u>

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

12. Financial instruments by category (cont'd)

Company	Financial assets at fair value through other comprehensive income ¹ \$'000	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
30.06.2023				
Assets				
Financial assets	8,143	-	-	8,143
Trade and other receivables ²	-	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>
Liabilities				
Trade and other payables ³	-	-	(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>
30.06.2022				
Assets				
Financial assets	9,704	-	-	9,704
Trade and other receivables ²	-	16	-	16
Amounts due from related parties	-	14,927	-	14,927
Cash and cash equivalents	-	47,900	-	47,900
	<u>9,704</u>	<u>62,843</u>	<u>-</u>	<u>72,547</u>
Liabilities				
Trade and other payables ³	-	-	(1,455)	(1,455)
Amounts due to related parties	-	-	(1,191)	(1,191)
	<u>-</u>	<u>-</u>	<u>(2,646)</u>	<u>(2,646)</u>

¹ 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 year, the Group had disposed of certain quoted equity securities for \$1,709,000 (2022: \$4,573,000). The cumulative gain arising on the disposals of \$217,000 (2022: \$710,000) was reclassified from fair value reserve to retained earnings.

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

³ Excludes contract liabilities and sales tax payables.

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

13. Fair value of assets and liabilities

Fair value hierarchy

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

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

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

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

There has been no transfer between Level 1 and Level 2 and no transfer into or out of Level 3 during the financial years ended 30 June 2023 and 30 June 2022.

Assets and liabilities measured at fair value

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group				
30.06.2023				
Financial assets				
Investments at FVOCI	8,143	-	-	8,143
Investments at FVPL	1,414	-	1,619	3,033
Non-financial assets				
Investment property	-	-	23,855	23,855
	<u>9,557</u>	<u>-</u>	<u>25,474</u>	<u>35,031</u>
30.06.2022				
Financial assets				
Investments at FVOCI	9,704	-	-	9,704
Investments at FVPL	1,426	-	1,766	3,192
Non-financial assets				
Investment property	-	-	24,202	24,202
	<u>11,130</u>	<u>-</u>	<u>25,968</u>	<u>37,098</u>
Company				
30.06.2023				
Financial assets				
Investments at FVOCI	<u>8,143</u>	<u>-</u>	<u>-</u>	<u>8,143</u>
30.06.2022				
Financial assets				
Investments at FVOCI	<u>9,704</u>	<u>-</u>	<u>-</u>	<u>9,704</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)

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

Level 3 fair value measurements

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

Description	Fair value at 30.06.2023 \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Investments - Debt security (unquoted)	1,619	Quoted market prices, valuations or quotes adjusted to reflect market spreads or modelled prices	Adjustments to quotes	Not applicable
Investment 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

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

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

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

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 less than one year 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)

14. Cash and cash equivalents

	Group		Company	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	\$'000	\$'000	\$'000	\$'000
Cash at banks and in hand	9,610	18,314	626	5,496
Short-term deposits	45,579	43,367	30,942	42,404
	<u>55,189</u>	<u>61,681</u>	<u>31,568</u>	<u>47,900</u>

15. Share capital and treasury shares

	Company			
	No. of shares		Amount	
	Issued share capital	Treasury shares	Issued share capital	Treasury shares
	'000	'000	\$'000	\$'000
At 1 July	167,128	(460)	89,566	(126)
Purchase of treasury shares	-	(454)	-	(107)
At 30 June	<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 30 June 2023 comprised 166,213,885 (31 December 2022 and 30 June 2022: 166,668,285) ordinary shares with voting rights and 914,300 (31 December 2022 and 30 June 2022: 459,900) ordinary shares (treasury shares) with no voting rights.

There were no outstanding convertibles and subsidiary holdings as at 30 June 2023 and 30 June 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. During the financial year, the Company acquired 454,400 (30 June 2022: Nil) of its ordinary shares by way of on-market purchases. The treasury shares held by the Company represented 0.55% (30 June 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 year.

16. Borrowings

The Group had no borrowings or debt securities as at 30 June 2023 and 30 June 2022.

17. Plant and equipment

During the financial year ended 30 June 2023, the Group acquired assets amounting to \$862,000 (2022: \$412,000) and disposed of assets amounting to \$136,000 (2022: \$41,000).

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

18. Earnings per share – basic and diluted

	Group		Group	
	2HFY2023	2HFY2022	FY2023	FY2022
Earnings per share (cents)				
- basic and diluted	0.45	0.69	1.23	1.65

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.

19. Net asset value per share

	Group		Company	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Net asset value per share (cents)	64.47	68.18	60.55	60.84

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

20. Significant related party transactions

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

	Group		Group	
	2HFY2023	2HFY2022	FY2023	FY2022
	\$'000	\$'000	\$'000	\$'000
Sales and services income received/receivable from:				
- joint venture	25	-	25	25
- related parties	-	8	-	34
Purchases and services fee paid/payable to:				
- related parties	(157)	-	(249)	(2)
Lease paid/payable to:				
- related party	(29)	-	(29)	-
Consultancy fee paid/payable to a director	(50)	(47)	(96)	(93)

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

2HFY2023 vs 2HFY2022

The Group's 2HFY2023 revenue of \$30.8 million was 15% higher than the \$26.9 million recorded in 2HFY2022 due to higher sales of equipment. Gross profit margin had declined from 22% to 19% due to a change in revenue mix.

Other income was \$0.6 million in 2HFY2023 compared to \$1.0 million in 2HFY2022. The breakdown of other income is provided in Note E6 on page 16.

Based on valuations carried out by an independent professional valuer as at 30 June 2023 and 30 June 2022, the Group had recorded fair value gains on investment property of \$0.3 million and \$0.2 million in 2HFY2023 and 2HFY2022 respectively.

The Group's higher distribution and administrative expenses of \$6.7 million in 2HFY2023 compared to \$5.9 million in 2HFY2022 was mainly due to the consolidation of EPD segment's expenses.

Other expenses in 2HFY2023 comprised fair value loss on financial assets.

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

The Group's share of results of joint venture for 2HFY2023 was in respect of Adell Solutions Pte Ltd.

Overall, the net profit after tax recorded by the Group in 2HFY2023 was \$0.5 million compared to \$1.0 million recorded in 2HFY2022.

FY2023 vs FY2022

The Group's FY2023 revenue of \$59.1 million was 6% higher than the \$55.6 million recorded in FY2022. The increase in revenue was contributed by DSS segment from its higher sales in equipment and consumables which was partially offset by lower service and commission income. Gross profit margin had declined slightly by 2% from 22% to 20% due to a change in revenue mix.

Other income recorded in FY2023 was \$1.1 million compared to \$1.3 million in FY2022. The breakdown of other income is provided in Note E6 on page 16.

Based on valuations carried out by an independent professional valuer as at 30 June 2023 and 30 June 2022, the Group had recorded fair value gains on investment property of \$0.4 million and \$1.9 million in FY2023 and FY2022 respectively.

The Group's distribution and administrative expenses had increased from \$11.7 million in FY2022 to \$13.0 million in FY2023. The increase was mainly due to the consolidation of EPD segment's expenses.

Other expenses in FY2023 comprised fair value loss on financial assets.

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

F. Other information (cont'd)

2. Review of performance of the Group (cont'd)

FY2023 vs FY2022 (cont'd)

The Group's share of results of joint venture for FY2023 and FY2022 were in respect of Adell Solutions Pte Ltd.

Overall, the Group recorded a net profit after tax of \$0.7 million in FY2023 which was 78% lower than the net profit after tax of \$3.2 million in FY2022. The significantly lower net profit was mainly due to the lower fair value gain on investment property and the consolidation of expenses of the EPD segment.

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 10 August 2023.

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

In the report released in May 2023, World Semiconductor Trade Statistics ("WSTS") projected the market size of the global semiconductor market to be US\$515.0 billion in 2023, indicating a downturn of 10.3%. WSTS had adjusted its growth projections downwards as inflation rises and end markets see weaker demand, especially those exposed to consumer spending. WSTS anticipated this would be followed by a robust recovery in 2024, with an estimated growth of 11.8%.

SEMI's July 2023 report forecasts that the global sales of semiconductor manufacturing equipment by original equipment manufacturers in 2024 would bounce back from a projected contraction of 18.6% to US\$87.4 billion in 2023 from the previous industry record of US\$107.4 billion in 2022. The recovery in 2024 to US\$100.0 billion is expected to be driven by both the front-end and back-end segments. Sales of wafer fab equipment, which includes wafer processing, fab facilities, and mask/reticle equipment, are projected to decrease 18.8% to US\$76.4 billion in 2023 which is more than the 16.8% decline predicted by SEMI in the 2022 year-end forecast. The wafer fab equipment segment is projected to account for the bulk of the recovery to US\$100.0 billion in 2024, generating US\$87.8 billion in sales, a 14.8% increase.

The Group will evaluate new opportunities as they arise from the ongoing geopolitical tension between the United States and China. Chinese companies are actively looking at setting up overseas productions in Southeast Asia including Malaysia, Singapore and Vietnam. This opportunity may allow the Group to expand its DSS business in broadening the product range it offers by working with different suppliers of equipment from China.

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 (cont'd).**

With the recent surge of Avian Influenza outbreaks globally as well as challenges from global warming and future pandemics, food production and resilience continue to be one of the top priorities for every government. IFH is constantly reviewing biosecurity measures of the commercial egg farm.

5. Dividend information

(a) Current Financial Period Reported On.

Any dividend declared for the current financial period report on?

Name of dividend	Final (Proposed)
Dividend type	Cash
Dividend rate	1.00 cent
Tax rate	Tax exempt (one-tier)

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

Name of dividend	Final
Dividend type	Cash
Dividend rate	1.00 cent
Tax rate	Tax exempt (one-tier)

(c) Date payable.

To be announced.

(d) Book closure date.

To be announced.

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

Not applicable.

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.

F. Other information (cont'd)

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

Not applicable for full year results announcement.

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

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

10. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

FY2023 revenue of DSS segment had increased by \$4.1 million compared to FY2022. The increase was mainly contributed by higher sales in equipment and consumables in Singapore and China. The segment results for FY2023 had increased by \$0.5 million from \$2.7 million in FY2022 to \$3.2 million in FY2023. The increase was mainly attributed to lower operating expenses and higher net foreign exchange gain which were partially offset by a drop in gross profit margin.

APSS segment recorded a lower revenue of \$3.0 million in FY2023 compared to \$3.5 million in FY2022, and the segment loss had increased from \$0.1 million in FY2022 to \$0.6 million in FY2023.

Results of property investment and development segment for both FY2023 and FY2022 were mainly attributable to the fair value gain on investment property.

The Group had in June 2022 acquired a 40% interest in ICM and had stepped up its interest to 80% in April 2023. ICM is the holding company of IFH which will be developing and operating the 4th egg farm in Singapore. The loss in FY2023 comprised mainly expenses of IFH.

11. A breakdown of sales and profit after tax and before deducting non-controlling interests

Group	FY2023 \$'000	FY2022 \$'000	Change %
Revenue reported for first half-year	28,355	28,735	(1)
Profit after tax and before deducting non-controlling interests	187	2,146	(91)
Revenue reported for second half-year	30,788	26,860	15
Profit after tax and before deducting non-controlling interests	511	1,041	(51)

F. Other information (cont'd)

12. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2023 \$'000	FY2022 \$'000
Ordinary shares		
Final dividend	1,662 ⁽¹⁾	1,666

⁽¹⁾ The proposed final dividend for FY2023 of \$1,662,000 is estimated based on the total number of ordinary shares in issue (excluding treasury shares) as at 30 June 2023. The proposed dividend has not been recognised as a liability as at the reporting date.

13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Kelvin Lum Wen-Sum	48	Son of David Lum Kok Seng, the legal and beneficial owner of Bevirian Pte Ltd, a substantial shareholder of the Company. Brother of Adrian Lum Wen-Hong, a non-independent non-executive director of the Company.	Chief Executive Officer (with effect from 8 August 2018) Providing leadership to the Group's operations, charting the Group's corporate directions, implementing growth strategies and managing investment activities.	Not applicable.

By order of the Board
CHOW CHING SIAN
 Company Secretary
 24 August 2023