

GRP LIMITED



Company No.197701449C

**Financial Statement And Dividend Announcement For Six-Month
Financial Period ended 31 December 2022**

GRP LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Note	GROUP			GROUP		
		\$'000		% Increase/ (decrease)	\$'000		% Increase/ (decrease)
		3 months ended 2Q FY2023	2Q FY2022		6 months ended 31/12/22	31/12/21	
Continuing operations							
Revenue		3,465	3,712	(6.7)	10,076	6,904	45.9
Cost of sales		(2,036)	(2,462)	(17.3)	(6,924)	(4,595)	50.7
Gross profit		1,429	1,250	14.3	3,152	2,309	36.5
Other income		187	66	NM	356	101	NM
Distribution costs		(73)	(34)	NM	(128)	(65)	96.9
Administrative expenses		(2,337)	(2,194)	6.5	(4,037)	(3,724)	8.4
Finance costs		(79)	(28)	NM	(94)	(50)	88.0
Share of result of associates		(1)	(1)	-	(1)	(1)	-
Profit (loss) before income tax expense	18	(874)	(941)	(7.1)	(752)	(1,430)	(47.4)
Income tax expense	19	(92)	(12)	NM	(201)	(108)	86.1
Profit (loss) from continuing operations, net of tax		(966)	(953)	1.4	(953)	(1,538)	(38.0)
Discontinued operations							
Profit (loss) from discontinued operations, net of tax	20	-	(709)	(100.0)	-	(432)	(100.0)
Total profit (loss) for year, net of tax		(966)	(1,662)	(41.9)	(953)	(1,970)	(51.6)
Loss on Distribution in specie		-	(1,220)	NM	-	(1,220)	NM
Total profit (loss) for year, net of tax, after loss on Distribution in specie		(966)	(2,882)	(66.5)	(953)	(3,190)	(70.1)
Other comprehensive loss, net of tax:							
Exchange differences on translation of foreign operations		(361)	829	NM	(732)	1,252	NM
Other comprehensive (loss) income for the year, net of tax		(361)	829	NM	(732)	1,252	NM
Total comprehensive (loss) income for the year		(1,327)	(2,053)	(35.4)	(1,685)	(1,938)	(13.1)
Profit (Loss) attributable to:							
Owners of the company		(709)	(2,329)	(69.6)	(669)	(3,084)	(78.3)
Non-controlling interest		(257)	(553)	(53.5)	(284)	(106)	NM
		(966)	(2,882)	(66.5)	(953)	(3,190)	(70.1)
Profit (Loss) attributable to owners of the company relates to:							
Profit (Loss) from continuing operations		(709)	(754)	(6.0)	(669)	(1,432)	(53.3)
Loss from discontinued operations		-	(1,575)	(100.0)	-	(1,652)	(100.0)
		(709)	(2,329)	(69.6)	(669)	(3,084)	(78.3)
Profit (Loss) attributable to non-controlling interest of the company relates to:							
Profit (Loss) from continuing operations		(257)	(199)	NM	(284)	(106)	NM
Profit from discontinued operations		-	(354)	(100.0)	-	-	#DIV/0!
		(257)	(553)	(53.5)	(284)	(106)	NM
		(966)	(2,882)	(66.5)	(953)	(3,190)	(70.1)
Total comprehensive profit (loss) attributable to:							
Owners of the company		(1,070)	(1,500)	(28.7)	(1,401)	(1,832)	(23.5)
Non-controlling interests		(257)	(553)	(53.5)	(284)	(106)	NM
		(1,327)	(2,053)	(35.4)	(1,685)	(1,938)	(13.1)
Profit (Loss) per share attributable to owners of the company:							
<i>From continuing and discontinued operations (cents)</i>							
Basic and diluted	23	(0.39)	(1.29)	(69.6)	(0.37)	(1.71)	(78.3)
<i>From continuing operations (cents)</i>							
Basic and diluted	23	(0.39)	(0.42)	(6.0)	(0.37)	(0.79)	(53.3)
<i>From discontinued operations (cents)</i>							
Basic and diluted	23	-	(0.87)	(100.0)	-	(0.92)	(100.0)

* NM - not meaningful

CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	GROUP		COMPANY	
		\$'000		\$'000	
		31/12/2022	30/06/2022	31/12/2022	30/06/2022
ASSETS					
Current assets					
Cash and bank balances		20,234	22,686	12,010	12,801
Trade receivables	6	2,712	2,509	1,235	824
Other receivables & prepayments	7	566	1,106	19,301	19,170
Financial assets at fair value through profit or loss		21	33	-	-
Contract asset		-	2	-	-
Inventories	8	4,995	4,585	-	-
Development properties	9	3,471	3,592	-	-
Development property expenditure	10	10,228	9,444	-	-
Total current assets		42,227	43,957	32,546	32,795
Non-current assets					
Other receivables	7	4,237	4,557	-	-
Investment in subsidiaries		-	-	6,627	6,627
Associates		5	3	-	-
Deferred tax assets		92	96	-	-
Intangible asset		31	32	24	25
Right-of-use assets	11	695	686	203	-
Property, plant and equipment	12	635	720	91	96
Total non-current assets		5,695	6,094	6,945	6,748
Total assets		47,922	50,051	39,491	39,543
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	13	371	367	-	-
Trade payables	14	1,853	1,479	17	21
Lease liabilities	13	423	399	83	-
Other payables	15	1,931	2,658	353	827
Deferred consideration payable	10	2,672	2,698	-	-
Income tax payable		290	178	-	49
Total current liabilities		7,540	7,779	453	897
Non-current liabilities					
Bank loans	13	765	952	-	-
Deferred tax liabilities		1	1	-	-
Lease liabilities	13	283	301	121	-
Total non-current liabilities		1,049	1,254	121	-
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		1,254	1,986	-	-
Accumulated losses		(3,377)	(2,708)	(2,794)	(3,065)
Equity attributable to owners of the company		39,588	40,989	38,917	38,646
Non-controlling interests		(255)	29	-	-
Total equity		39,333	41,018	38,917	38,646
Total liabilities and equity		47,922	50,051	39,491	39,543

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

	The Group		The Group	
	\$'000		\$'000	
	3 months ended 31/12/2022	3 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021
Operating activities:				
Profit (loss) before income tax from continuing operations	(874)	(941)	(752)	(1,430)
Profit (Loss) before income tax from discontinued operations	-	(1,832)	-	(1,564)
Total loss before income tax	(874)	(2,773)	(752)	(2,994)
Adjustments for:				
Depreciation and amortisation	46	43	91	84
Depreciation of right-of-use assets	119	222	222	445
Loss on Distribution	-	1,832	-	1,564
Fair value loss on financial assets at fair value through profit or loss	12	-	12	-
Write off of development property expenditure	648	-	648	-
Interest income	(78)	(14)	(116)	(21)
Interest expenses	11	27	22	44
Provision for inventories	21	51	106	24
Share of result of associates	1	2	1	4
Operating cash flows before movements in working capital	(94)	(610)	234	(850)
Trade receivables	99	14	(203)	96
Loan and factoring receivables	-	-	-	-
Other receivables & prepayments	262	10	542	286
Inventories	(246)	97	(504)	(103)
Properties held for sale	-	-	-	-
Development property expenditure	(1,424)	(335)	(1,687)	(488)
Trade payables	369	(237)	485	68
Other payables	(736)	143	(838)	429
Cash used in operating activities	(1,770)	(918)	(1,971)	(562)
Income taxes paid	(43)	(50)	(87)	(113)
Net cash used in operating activities	(1,813)	(968)	(2,058)	(675)
Investing activities:				
Purchase of property, plant and equipment	(16)	(1)	(17)	(28)
Receivable from associates	(1)	-	(1)	-
Interest received	78	14	116	21
Net cash generated from investing activities	61	13	98	(7)
Financing activities:				
Interest paid	(11)	(27)	(22)	(44)
Repayment of loan	(92)	-	(183)	-
Payment of lease liabilities	(120)	(202)	(225)	(406)
Net cash used in financing activities	(223)	(229)	(430)	(450)
Net decrease in cash and cash equivalents	(1,975)	(1,184)	(2,390)	(1,132)
Cash and cash equivalents at beginning of year	22,119	25,913	22,686	25,688
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	90	(51)	(62)	122
Cash and cash equivalents at end of year	20,234	24,678	20,234	24,678

INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

Group	Share capital	Treasury Shares	Statutory reserve	Currency translation reserve	Accumulated losses	Reserve of disposal group classified as held for distribution to owners	Attributable to equity holders of the company	Non-controlling interests	Total
\$'000									
Latest 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 year:</i>									
- Profit (loss) for the year	-	-	-	-	(669)	-	(669)	(284)	(953)
- Other comprehensive loss for the year	-	-	-	(732)	-	-	(732)	-	(732)
Balance at 31/12/2022	44,093	(2,382)	-	1,254	(3,377)	-	39,588	(255)	39,333

Previous Corresponding Period									
Balance at 01/07/2021	72,502	(2,382)	245	1,471	(11,264)	(3,165)	57,407	4,505	61,912
<i>Total comprehensive profit (loss) for the year:</i>	-	-	-	819	(3,084)	433	(1,832)	(106)	(1,938)
- (Loss) Profit for the year	-	-	-	-	(3,084)	-	(3,084)	(106)	(3,190)
- Other comprehensive loss for the year	-	-	-	819	-	433	1,252	-	1,252
<i>Transactions with owner, recognised directly in equity</i>									
- Capital reduction	(28,409)	-	-	-	28,409	-	-	-	-
- Dividend distribution in specie	-	-	-	-	(14,416)	-	(14,416)	-	(14,416)
- Disposal of non-controlling interest in LFHL	-	-	-	-	-	-	-	(4,388)	(4,388)
- Reclassification of reserves resulting from the distribution in specie of LFHL shares	-	-	(245)	-	(2,487)	2,732	-	-	-
Balance at 31/12/2021	44,093	(2,382)	-	2,290	(2,842)	-	41,159	11	41,170

Company	Share capital	Treasury Shares	Accumulated losses	Total
\$'000				
<u>Latest Period</u>				
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	-	-	271	271
Balance at 31/12/2022	44,093	(2,382)	(2,794)	38,917
<u>Previous Corresponding Period</u>				
Balance at 01/07/2021	72,502	(2,382)	(11,728)	58,392
<i>Total comprehensive income for the period, represented by:</i>				
- Loss for the year	-	-	(2,482)	(2,482)
<i>Transactions with owner, recognised directly in equity</i>				
- Capital reduction	(28,409)	-	28,409	-
- Dividend distribution in specie	-	-	(14,416)	(14,416)
Balance at 31/12/2021	44,093	(2,382)	(217)	41,494

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 interim condensed financial statements for the financial period ended 31 December 2022 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 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed 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 2022.

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 dollar 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 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.

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 advance payment receivable 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, the matter is still under on-going investigation and management intends to cooperate fully with the officer-in-charge 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 in 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 period.

Note 4 Financial Instruments

The following table sets out the financial instruments as at 31 December 2022 and 30 June 2022:

	Group		Company	
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>				
Amortised costs:				
- Cash and bank balances	20,234	22,686	12,010	12,801
- Trade receivables	2,712	2,509	1,235	824
- Other receivables	512	1,063	19,289	19,149
	23,458	26,258	32,534	32,774
Financial assets designated at fair value through profit or loss	21	33	-	-
Total	23,479	26,291	32,534	32,774

	Group		Company	
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000	\$'000	\$'000
<u>Financial liabilities</u>				
Amortised cost:				
- Trade payables	1,834	1,430	4	10
- Other payables	1,931	2,658	353	827
- Loans and borrowings	1,136	1,319	-	-
Lease liabilities	706	700	204	-
Total	5,607	6,107	561	837

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	
	31/12/2022	30/06/2022	
	\$'000	\$'000	
Financial assets at fair value through profit or loss	21	33	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 31 December 2022.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period ended 31 December 2022 and financial year ended 30 June 2022.

Note 6 Trade receivables

	Group		Company	
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000	\$'000	\$'000
Outside parties	2,712	2,509	-	37
Subsidiaries	-	-	5,732	5,487
	2,712	2,509	5,732	5,524
Less: Loss allowance - Subsidiaries	-	-	(4,497)	(4,700)
	2,712	2,509	1,235	824

The loss allowance of the group of Nil (30 June 2022: Nil) and the company of \$4,497,000 (30 June 2022: \$4,700,000) relate to trade receivables which are past due for more than 360 days.

Note 7 Other receivables and prepayments

	Group		Company	
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Prepayments	54	43	12	21
Other deposits	144	627	26	27
Sundry receivables	368	436	131	34
Subsidiaries	-	-	23,058	23,013
	566	1,106	23,227	23,095
Less: Loss allowances - Subsidiaries	-	-	(3,926)	(3,925)
	566	1,106	19,301	19,170
<u>Non-current</u>				
Advance payment (a)	4,237	4,557	-	-
	4,237	4,557	-	-

(a):

Amount relates to part of advance payment in accordance with 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 group is expecting the refund of \$4,964,000 (30 June 2022: \$5,339,000). The group has recognised a cumulative impairment allowance of \$727,000 (30 June 2022: \$782,000) as at 31 December 2022. Management is in process of negotiating with the PRC authority and to arrange to meet the local PRC authority to negotiate for full recovery of the remaining receivables.

Note 8 Inventories

	Group	
	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000
Finished goods	4,995	4,585
Movement in allowance for inventories:		
Balance at beginning of the year	2,505	2,355
Increase (decrease) in allowance recognised in profit or loss	106	159
Exchange realignment	(12)	(9)
Balance at end of the year	2,599	2,505

Note 9 Development properties

	Group	
	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000
Development properties located in		
- Malaysia	3,471	3,592
	3,471	3,592

Note 10 Development property expenditure

	Group	
	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000
Balance at beginning of the financial year	9,444	6,370
Additions	3,053	3,356
Recognised in profit or loss during the financial year	(1,366)	(282)
Amount written off (a)	(648)	-
Exchange realignment	(255)	-
Balance at end of the financial period	10,228	9,444
Comprising joint venture development agreement with:		
- Karib Tropika Sdn Bhd (a)	-	615
- Lembaga Perumahan Dan Hartanah, Perak	10,228	8,829
	10,228	9,444
Deferred consideration payable		
Joint venture development agreement with Lembaga Perumahan Dan Hartanah, Perak ("LPHP")	2,672	2,698

(a):

As announced by the Company on 16 November 2022, the joint venture development agreement with Karib Tropika Sdn Bhd is terminated on 15 November 2022. With this termination, the total development property expenditure of \$0.65 million is written off in the period under review.

Note 11 Right-of-use assets

	Group		Company	
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000	\$'000	\$'000
<u>Cost:</u>				
At opening balance	1,189	2,525	-	1,320
Addition	231	-	231	-
Termination of leases	-	(1,336)	-	(1,320)
At closing balance	1,420	1,189	231	-
<u>Accumulated depreciation:</u>				
At opening balance	503	1,124	-	996
Depreciation	222	713	28	324
Termination of leases	-	(1,334)	-	(1,320)
At closing balance	725	503	28	-
Carrying value	695	686	203	-

Note 12 Property, plant and equipment

	Group		Company	
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000	\$'000	\$'000
<u>Cost:</u>				
At opening balance	2,103	2,257	227	377
Exchange realignment	(29)	(22)	-	-
Addition	17	246	5	75
Disposal	-	(378)	-	(225)
At closing balance	2,091	2,103	232	227
<u>Accumulated depreciation:</u>				
At opening balance	1,383	1,513	131	347
Exchange realignment	(18)	(11)	-	-
Depreciation	91	174	10	8
Disposal	-	(293)	-	(224)
At closing balance	1,456	1,383	141	131
Carrying value	635	720	91	96

Note 13 Bank loans and lease liabilities

	Group		Company	
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand				
- Secured	423	399	83	-
- Unsecured	371	367	-	-
	794	766	83	-
Amount repayable after one year				
- Secured	283	301	121	-
- Unsecured	765	952	-	-
	1,048	1,253	121	-

	01/07/2022	Financing cash flows (i)	Others non cash charges(ii)	Termination/ Additions	31/12/2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Bank loans	1,319	(183)	-	-	1,136
Lease liabilities	700	(225)	-	231	706
	2,019	(408)	-	231	1,842

	01/07/2021	Financing cash flows (i)	Others non cash charges(ii)	Termination/ Additions	30/06/2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Bank loans	1,500	(181)	-	-	1,319
Lease liabilities	1,431	(731)	-	-	700
	2,931	(912)	-	-	2,019

(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 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000	\$'000	\$'000
Outside parties	1,834	1,430	4	10
Net GST payable	19	49	13	11
	1,853	1,479	17	21

The credit period on purchases of goods range from 30 to 90 days (30 June 2022 : 30 to 90 days).

Note 15 Other payables

	Group		Company	
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	\$'000	\$'000	\$'000	\$'000
Employee benefits	586	984	262	518
Operating expenses	1,178	1,339	91	191
Trade deposits from contractors	-	26	-	-
Other payables	167	309	-	118
	1,931	2,658	353	827

Note 16 Share capital

	Group and Company			
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	Number of ordinary shares		\$'000	\$'000
Issued and paid up capital:				
At beginning of the period	193,701,610	193,701,610	44,093	72,502
Capital reduction	-	-	-	(28,409)
At end of the period	193,701,610	193,701,610	44,093	44,093

The Company did a capital reduction of \$28.4 million during the year ended 30 June 2022 as a result of distribution of 120,130,358 of LFHL shares to the shareholders of the Company via distribution in specie on 3 December 2021.

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 31 December 2022.

Note 17 Treasury shares

	Group and Company			
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	Number of ordinary shares		\$'000	\$'000
At beginning of the year	13,504,600	13,504,600	2,382	2,382
Repurchased during the year	-	-	-	-
At the 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 31 December 2022 (30 June 2022 : 13,504,600).

Note 17.1 Total number of issued shares excluding treasury shares

	As at 31/12/2022	As at 30/06/2022
	Number of ordinary shares	
At 1 July	180,197,010	180,197,010
Share buy-back	-	-
Total number of issued shares	180,197,010	180,197,010

Note 18 Profit / Loss before taxation

Note 18.1 Significant items

	GROUP		GROUP	
	\$'000		\$'000	
	3 months ended 31/12/2022	3 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021
	\$'000	\$'000	\$'000	\$'000
Included in continuing operations				
Depreciation and amortisation	(46)	(43)	(91)	(84)
Depreciation of right-of-use assets	(119)	(222)	(222)	(445)
Allowance for inventories	(21)	(51)	(106)	(24)
Fair value on financial assets at fair value through profit or loss	(12)	-	(12)	-
Write off of development property expenditure	(648)	-	(648)	-
Net foreign currency exchange adjustment (loss)/gain	(237)	65	(393)	41
Interest expenses	(11)	(27)	(22)	(44)
Penalty on fund transferred from PRC	-	(759)	-	(759)
Interest income	78	14	116	21
Rental and services income	3	4	7	8
Other income	7	13	26	37
Management fee income (a)	99	35	207	35
Included in discontinued operations				
Depreciation and amortisation	-	(26)	-	(62)
Depreciation of right-of-use assets	-	(29)	-	(72)
Net foreign currency exchange adjustment gain	-	22	-	67
Interest expenses	-	(3)	-	(8)
Penalty on fund transferred from PRC	-	(1,434)	-	(1,434)
Loss on Distribution in specie	-	(1,220)	-	(1,220)
Interest income	-	13	-	44
Rental and services income	-	10	-	10

(a):

Management fee income is 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.

Note 18.2 Related party transactions

	Group		Group	
	3 months ended 31/12/2022	3 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021
	\$'000	\$'000	\$'000	\$'000
Rental expenses recovered from a related party in which a director has interests	-	(66)	-	(127)
Management fee income received from LFHL (a)	(99)	(35)	(207)	(35)
Rental expenses paid to LFHL for period (a)	24	-	48	-
Interest expense paid on amount due to Mr Kwan Chee Seng, director of LFHL (a)	-	23	-	28

(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		Group	
	3 months ended	3 months ended	6 months ended	6 months ended
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
From continuing operations				
Current income tax expense	(92)	157	(201)	82
Deferred income tax expense, prior year	-	(169)	-	(190)
	(92)	(12)	(201)	(108)
From discontinued operations				
Current income tax credit	-	(97)	-	(88)
Deferred income tax expense	-	-	-	-
	-	(97)	-	(88)

Note 20 Discontinued operations and disposal group classified as held for distribution

Following the announcement by the Company on 4 June 2021 on the proposed distribution in specie of shares in Luminor Financial Holdings Limited ("LFHL") to shareholders of the Company by way of capital reduction ("Distribution"), the assets and liabilities related to LFHL had been presented as a disposal group held for distribution to owners and results from LFHL was presented separately on the income statement as "Discontinued operations" on the financial statements for year ended 30 June 2021.

The Distribution was completed on 3 December 2021 where the Company distributed 120,130,358 of LFHL shares to the shareholders of the Company via distribution in specie by way of capital reduction.

An analysis of the results of discontinued operations, and the result recognised on the remeasurement of disposal group is as follows:

	Group		Group	
	3 months ended 31/12/2022	3 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021
	\$'000	\$'000	\$'000	\$'000
Revenue	-	1,677	-	3,402
Expenses	-	(2,287)	-	(3,742)
Share of result of associates	-	(2)	-	(4)
Profit before tax from discontinued operations	-	(612)	-	(344)
Tax credit	-	(97)	-	(88)
Profit after tax from discontinued operations	-	(709)	-	(432)
Loss on Distribution in specie	-	(1,220)	-	(1,220)
Total loss	-	(1,929)	-	(1,652)

Profit (Loss) before tax from discontinued operations is stated after charging:

	Group		Group	
	3 months ended 31/12/2022	3 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021
	\$'000	\$'000	\$'000	\$'000
This is arrived at after charging:				
Depreciation and amortisation	-	(26)	-	(62)
Depreciation of right-of-use assets	-	(29)	-	(72)
Net foreign currency exchange adjustment gain	-	22	-	67
Interest expenses	-	(3)	-	(8)
Penalty on fund transferred from PRC	-	(1,434)	-	(1,434)
Interest income	-	13	-	44
Rental and service income	-	10	-	10
Tax credit	-	97	-	88

Note 21 Dividends

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

The Company distributed 120,130,358 LFHL shares as distribution in specie to the shareholders of the Company on 3 December 2021. Based on the volume weighted average price of LFHL share of \$0.1095 traded on Catalist on 3 December 2021, the value of the Distribution is \$13.154 million and is equivalent to approximately \$0.073 per the Company share.

Based on the closing price of LFHL share of \$0.12 traded on Catalist on 3 December 2021, the total value of the Distribution is recorded as \$14,415,643.

Note 22 Net Asset Value

	As at 31/12/2022	As at 30/06/2022
	Cents	
The Group	21.97	22.75
The Company	21.60	21.45

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 year under review and of the immediately preceding financial year.

Note 23 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		Group	
	3 months ended 31/12/2022	3 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021
	\$'000	\$'000	\$'000	\$'000
Loss from continuing operations	(709)	(754)	(669)	(1,432)
Loss from discontinued operations	-	(1,575)	-	(1,652)
Net loss attributable to owners of the company	(709)	(2,329)	(669)	(3,084)

	Group	
	As at 31/12/2022	As at 30/06/2022
	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 24 Reportable Segments

	Hose & Marine		Measuring instruments / metrology		Property		Total Continuing Operations		Total discontinued Operations		Total	
	6 months ended 31/12/2022	6 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021
S\$'000												
Revenue												
External sales	838	974	7,627	5,930	1,611	-	10,076	6,904	-	3,402	10,076	10,306
Result												
Segment gross contribution	318	358	2,589	1,951	245	-	3,152	2,309	-	2,923	3,152	5,232
Other operating income	4	76	2	11	350	14	356	101	-	54	356	155
Loss on Distribution in specie	-	-	-	-	-	-	-	-	-	(1,220)	-	(1,220)
Direct expenses	(591)	(652)	(1,158)	(1,014)	(1,678)	(537)	(3,427)	(2,203)	-	(3,317)	(3,427)	(5,520)
Segment net contribution	(269)	(218)	1,433	948	(1,083)	(523)	81	207	-	(1,560)	81	(1,353)
Direct expenses - Corporate							(832)	(1,636)	-	-	(832)	(1,636)
Loss before income tax							(751)	(1,429)	-	(1,560)	(751)	(2,989)
Share of result of associate							(1)	(1)	-	(4)	(1)	(5)
Loss before income tax, after associate							(752)	(1,430)	-	(1,564)	(752)	(2,994)
Income tax expense							(201)	(108)	-	(88)	(201)	(196)
Loss for the year							(953)	(1,538)	-	(1,652)	(953)	(3,190)

Depreciation of property, plant and equipment and amortisation	34	36	23	18	34	30	91	84	-	62	91	146
Depreciation of right-of-use-assets	137	137	57	57	28	251	222	445	-	72	222	517

Note 24.1 Segment information

	Hose & Marine		Measuring instruments / metrology		Property		Inter-segment elimination		Total Continuing Operations	
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
S\$'000										
Other information										
Segment Assets	2,271	2,646	9,277	10,342	23,878	24,015	-	-	35,426	37,003
Unallocated corporate assets									12,496	13,048
Consolidated total assets									47,922	50,051
Segment liabilities	927	1,007	2,283	2,660	4,810	4,468	-	-	8,020	8,135
Inter-segment liabilities	5,173	4,989	480	552	27,121	25,228	(32,774)	(30,769)	-	-
Unallocated corporate liabilities									569	898
Consolidated total liabilities									8,589	9,033
Capital expenditure	-	22	11	5	6	-	-	-	17	27

Note 24.2 Geographical segments by location of customers

S\$'000	Revenue	
	6 months ended 31/12/2022	6 months ended 31/12/2021
Continuing operations		
Singapore	4,496	3,590
Malaysia	4,976	2,818
Indonesia	480	354
Other ASEAN countries	18	9
Other Asian countries	8	23
Middle Eastern countries	5	17
People's Republic of China	63	27
Others	30	66
	10,076	6,904
Discontinued operations		
Malaysia	-	3,070
People's Republic of China	-	332
	-	3,402
Total	10,076	10,306

Information about major customers

In 1H FY2023 and 1H FY2022, no single customer contributed to more than 10% of the group's total revenue.

S\$'000	Total non-current assets	
	As at 31/12/2022	As at 30/06/2022
Continuing operations		
Singapore	987	1,027
Malaysia	378	413
People's Republic of China	4,238	4,558
Total	5,603	5,998

Note 25 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 2022 ("FY2022"), the auditors, Messrs Baker Tilly TFW LLP had issued an "except for" qualified audit opinion, for the recoverability of certain assets from the PRC authorities. The basis for the "except for" qualified opinion is contained in the Auditor's Report, pages 74 to 78 of the Company Annual Report for FY2022.

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

- 1) 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. Management expects a visit to PRC now that the travel restrictions are lifted.

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 2022.

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**

	6 months ended 31/12/2022	6 months ended 31/12/2021
Earning/(Loss) per ordinary share attributable to the owners of the company for the year		
From continuing and discontinued operations		
(i) Based on weighted average number of ordinary share in issue (Cents)	(0.37)	(1.71)
(ii) On a fully diluted basis (Cents)	(0.37)	(1.71)
From continuing operations		
(i) Based on weighted average number of ordinary share in issue (Cents)	(0.37)	(0.79)
(ii) On a fully diluted basis (Cents)	(0.37)	(0.79)
From discontinued operations		
(i) Based on weighted average number of ordinary share in issue (Cents)	-	(0.92)
(ii) On a fully diluted basis (Cents)	-	(0.92)

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 31/12/2022	As at 30/06/2022
	Cents	
The Group	21.97	22.75
The Company	21.60	21.45

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.

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 31 December 2022 ("2QFY2023") vs Three months ended 31 December 2021 ("2QFY2022"); and

- Six months ended 31 December 2022 ("1HFY2023") vs Six months ended 31 December 2021 ("1HFY2022")

Continuing operations
2QFY2023 vs 2QFY2022

The Group's revenue of \$3.47 million for 2QFY2023, is 6.7% lower than the \$3.71 million revenue for 2QFY2022. Revenue for the Group's Measuring Instruments segment decreased by \$0.77 million (23.8%) in 2QFY2023 as compared to 2QFY2022. The Hose & Marine segment decreased by \$0.09 million (19.4%) for 2QFY2023 as compared to 2QFY2022. The decreases are partially offset by the \$0.62 million (100%) revenue generated by the Property segment in 2QFY2023.

The decrease in revenue for the Group's Measuring Instruments segment is largely due to customers placing more orders in 1QFY2023, shortly after the ceasing of COVID-19 restrictions in Singapore and Malaysia. This has resulted in lower sales orders received in 2QFY2023. The Hose & Marine segment continued to face shortages in hose supplies due to supply chain disruptions as a result of COVID-19.

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 Group's gross profit increased by 14.3% to \$1.43 million in 2QFY2023 from \$1.25 million in 2QFY2022. Gross profit for Measuring Instruments segment improved by \$0.12 million, Property segment improved by \$0.09 million in 2QFY2023 as compared to 2QFY2022. The improvement in gross profit margin of the Measuring Instruments segment is largely due to change in product mix, with more higher margin products being sold in 2QFY2023 as compared to 2QFY2022. The improvement in gross profit margin of the Property segment is in line with the higher revenue in 2QFY2023. Hose & Marine segment has a decrease in gross profit of \$0.03 million in 2QFY2023 as compared to 2QFY2022, in line with the lower revenue in 2QFY2023.

Other income increased to \$0.19 million in 2QFY2023 as compared to \$0.07 million 2QFY2022. The increase is mainly due to \$0.06 million increase in interest income and \$0.06 million increase in management fee income. The increase in interest income is due to higher fixed deposit interest rate in 2QFY2023. Management fee income is received from LFHL which ceased to be a subsidiary with effect from 3 December 2021 resulting from the completion of the distribution in specie of shares in LFHL. Management fee income received from LFHL were eliminated at the group accounts, as LFHL was a subsidiary of the Group, until 3 December 2021.

Distribution costs increased by \$0.04 million in 2QFY2023 as compared to 2QFY2022. The increase is mainly due to distribution cost incurred by the Property segment, which has commenced its recognition of sales in 4QFY2022.

Administrative expenses increased to \$2.34 million in 2QFY2023 as compared to \$2.19 million in 2QFY2022. The increase is mainly due to a \$0.65 million write-off of development property expenditure and higher exchange loss of \$0.30 million, partially offset by a non-recurring \$0.76 million penalty on fund transferred from PRC in 2QFY2022. The write-off of development property expenditure is a result of the termination of joint venture agreement with Karib Tropika Sdn Bhd on 15 November 2022. The higher exchange loss in 2QFY2023 is due to weakening of Malaysia Ringgit against Singapore dollar.

Finance costs increased by \$0.05 million in 2QFY2023 as compared to 2QFY2022. The increase is mainly due to finance charges on present valuation of deferred consideration payable on the joint venture development agreement with LPHP.

Consequently, the Group recorded a loss before tax of \$0.87 million in 2QFY2023 as compared to a loss before tax of \$0.94 million in 2QFY2022.

1HFY2023 vs 1HFY2022

The Group's revenue of \$10.08 million for 1HFY2023, is 45.9% higher than the \$6.90 million revenue for 1HFY2022. Revenue for the Group's Measuring Instruments segment increased by \$1.70 million (28.6%) in 1HFY2023 as compared to 1HFY2022. The Property segment also contributed \$1.61 million (100%) revenue in 1HFY2023. Hose & Marine segment decreased by \$0.14 million (14.0%) for 1HFY2023 as compared to 1HFY2022.

The Measuring Instruments segment has benefited from the easing of COVID-19 restrictions in Singapore and Malaysia where manufacturing customers are back to near full scale operations. This segment has also expanded their product range to include health care related products. 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 Hose & Marine segment continued to face shortages in hose supplies due to supply chain disruptions as a result of COVID-19.

The Group's gross profit increased by 36.5% to \$3.15 million in 1HFY2023 from \$2.31 million in 1HFY2022. Gross profit for Measuring Instruments segment improved by \$0.64 million, Property segment improved by \$0.25 million in 1HFY2023 as compared to 1HFY2022. These are in line with the higher revenue in 1HFY2023. Hose & Marine segment has a decrease in gross profit of \$0.04 million in 1HFY2023 as compared to 1HFY2022.

Other income increased to \$0.36 million in 1HFY2023 as compared to \$0.10 million 1HFY2022. The increase is mainly due to \$0.10 million increase in interest income and \$0.17 million increase in management fee income. The increase in interest income is due to the higher fixed deposit interest rate in 1HFY2023. Management fee income is received from LFHL which ceased to be a subsidiary with effect from 3 December 2021 resulting from the completion of the distribution in specie of shares in LFHL.

Distribution costs increased by \$0.06 million in 1HFY2023 as compared to 1HFY2022. The increase is mainly due to distribution cost incurred by the Property segment, which has commenced its recognition of sales in 4QFY2022.

Administrative expenses increased by \$0.31 million in 1HFY2023 as compared to 1HFY2022. The increase is mainly due to a \$0.65 million write-off of development property expenditure and higher exchange loss of \$0.43 million, partially offset by a non-recurring \$0.76 million penalty on fund transferred from PRC in 1HFY2022. The write-off of development property expenditure is a result of the termination of joint venture agreement with Karib Tropika Sdn Bhd on 15 November 2022. The exchange loss is due to weakening of Malaysia Ringgit against Singapore dollar in 1HFY2023.

Finance costs increased by \$0.04 million in 1HFY2023 as compared to 1HFY2022. The increase is mainly due to finance charge on the present valuation of deferred consideration payable on the joint venture development agreement with LPHP.

Consequently, the Group recorded a loss before tax of \$0.75 million in 1HFY2023 as compared to a loss before tax of \$1.43 million in 1HFY2022.

Discontinued operations

LFHL ceased to be a subsidiary of the Group, resulting from the DIS distribution on 3 December 2021.

Statement of financial position and Statement of cashflows

The Group's financial position remains healthy with current ratio of approximately 5.60 times as at 31 December 2022 ("**31 Dec 2022**") as compared to 5.65 times at the end of June 2022 ("**30 June 2022**"). As at 31 Dec 2022 the Group had cash and bank balances amounting to \$20.23 million. This is \$2.45 million lower than the cash and bank balances as at 30 June 2022. The decrease is largely due to a \$1.69 million development property expenditure incurred for the affordable housing project in Malaysia and \$0.84 million decrease in other payables during 1HFY2023. 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.

Trade receivables increased from \$2.51 million as at 30 June 2022 to \$2.71 million as at 31 Dec 2022. The increase is in tandem with the higher revenue generated during 1HFY2023.

Other receivables decreased from \$1.11 million as at 30 June 2022 to \$0.57 million as at 31 Dec 2022. The decrease is largely due to the write-off of \$0.48 million deposit placed with the land owner for the joint venture agreement with Karib Tropika Sdn Bhd that was terminated on 15 November 2022.

Inventories increased from \$4.59 million as at 30 June 2022 to \$5.0 million as at 31 Dec 2022. The increase is largely due to build up of inventories by the Measuring Instruments segment in 1HFY2023.

Development property expenditure increased by \$0.78 million on 31 Dec 2022 as compared to 30 June 2022. The increase is due to additional construction costs incurred for the affordable housing project in Perak, Malaysia undertaken by Ratus Nautika Sdn Bhd, partially offset by \$0.65 million write-off of development property expenditure resulting from the termination of joint venture agreement with Karib Tropika Sdn Bhd on 15 November 2022.

Total bank loan decreased by \$0.18 million on 31 Dec 2022 as compared to 30 June 2022. This is due to repayment of the loan during 1HFY2023.

Trade payables increased by \$0.37 million on 31 Dec 2022 as compared to 30 June 2022. This is largely due to the increase in inventories during the period under review.

Other payables decreased by \$0.73 million on 31 Dec 2022 as compared to 30 June 2022. This is largely due to payment of accrued bonuses and professional fees during 1HFY2023.

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

The COVID-19 pandemic since January 2020 has adversely impacted all the business segments of the Group. The Hose & Marine segment continued to face shortages in hose supplies due to supply chain disruptions as a result of COVID-19. Business outlook for the next 12 months is still expected to remain challenging although supply-chain improvements and replenished inventories may have positive impact.

The Group will continue to focus on cost containment and operation efficiency to mitigate global inflation pressure and to improve workflow and processes to minimise the supply chain disruptions.

As announced by the Company on 12 January 2023, the Group has entered into a share subscription agreement with Tong Ren Tang Royal Food Pte Ltd ("**Sgp TRTRF**"), Tongrentang Royal Food Co Ltd and Mr Lu Youyi to subscribe for 51,000 ordinary shares in the share capital of Sgp TRTRF at \$1 per share. Upon completion of the share subscription, Sgp TRTRF will become a 51% owned subsidiary of the Company and the Company will have access to trading businesses and plans to develop "同仁堂御膳" mobile food truck business in China on a franchise model targeting the vast Chinese market.

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 31 December 2022.

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

No dividend declared for the period ended 31 December 2021.

(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.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfer receive by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend is declared for period ended 31 December 2022.

The Company does not have a formal dividend policy. In view of the weak market conditions and the recent venture into affordable housing project and potential trading and manufacturing of food commodities and products as well as mobile food truck business, 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 during the period ended 31 December 2022 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	(207,000)	-
Luminor Financial Holdings Limited - Rental expenses paid to LFHL	48,000	-

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 six-month ended 31 December 2022 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
2013 Rights issues			
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)	-
2016 Rights issues			
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

Kwan Chee Seng
Executive Director
09 February 2023