

**TEHO INTERNATIONAL INC LTD.**

(Company Registration No: 200811433K)  
(Incorporated in the Republic of Singapore)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS ENDED 31 DECEMBER 2022**

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This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement. The contact person for the Sponsor is Ms Audrey Mok (Tel: (65) 6232 3214) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

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## A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Group		Change %
		HY2023 Unaudited S\$	HY2022 Unaudited S\$	
<b>Revenue</b>	4	<b>36,088,724</b>	<b>26,540,020</b>	36.0
Cost of sales		(24,850,430)	(15,756,882)	57.7
<b>Gross profit</b>		<b>11,238,294</b>	<b>10,783,138</b>	4.2
Other operating income		194,554	49,086	>100.0
Distribution expenses		(847,636)	(707,432)	19.8
Administrative expenses		(6,898,704)	(7,021,221)	(1.7)
Other operating expenses		(2,316,878)	(2,013,355)	15.1
<b>Results from operating activities</b>		<b>1,369,630</b>	<b>1,090,216</b>	25.6
Finance income		15,387	178	>100.0
Finance costs		(582,331)	(448,302)	29.9
<b>Net finance costs</b>		<b>(566,944)</b>	<b>(448,124)</b>	26.5
<b>Profit before tax</b>	6	<b>802,686</b>	<b>642,092</b>	25.0
Tax expense	7	(83,137)	(242,858)	(65.8)
<b>Profit for the period</b>		<b>719,549</b>	<b>399,234</b>	80.2
<b>Earnings per share</b>				
Basic (cents)	9	0.31	0.17	82.4
Diluted (cents)	9	0.31	0.17	82.4

Notes:

(1) HY2022: 6 months ended 31 December 2021

(2) HY2023: 6 months ended 31 December 2022

## B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Group</b>		
	<b>HY2023</b>	<b>HY2022</b>	<b>Change</b>
	<b>Unaudited</b>	<b>Unaudited</b>	
<b>Note</b>	<b>S\$</b>	<b>S\$</b>	<b>%</b>
<b>Profit for the period</b>	<b>719,549</b>	<b>399,234</b>	80.2
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences, net of tax	(145,393)	(296,258)	(50.9)
<b>Other comprehensive income for the period, net of tax</b>	<b>(145,393)</b>	<b>(296,258)</b>	(50.9)
<b>Total comprehensive income for the period</b>	<b>574,156</b>	<b>102,976</b>	>100.0

## C. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
		Unaudited S\$	Audited S\$	Unaudited S\$	Audited S\$
<b>Assets</b>					
Property, plant and equipment	10	14,389,383	14,709,352	218,416	249,728
Investment in subsidiaries		–	–	16,184,006	16,184,006
Investment in joint venture		–	–	–	–
Deferred tax assets		231,098	232,663	–	–
Trade and other receivables		371,485	500,272	–	–
<b>Non-current assets</b>		<b>14,991,966</b>	<b>15,442,287</b>	<b>16,402,422</b>	<b>16,433,734</b>
Inventories		25,752,514	25,093,190	–	–
Development properties		–	5,465,226	–	–
Contract costs		40,731	26,250	–	–
Tax recoverable		136,722	1,038	–	–
Trade and other receivables		8,872,070	10,056,463	6,866,635	8,165,036
Contract assets		30,618	38,898	–	–
Cash and cash equivalents		5,220,699	4,536,280	60,467	84,298
<b>Current assets</b>		<b>40,053,354</b>	<b>45,217,345</b>	<b>6,927,102</b>	<b>8,249,334</b>
<b>Total assets</b>		<b>55,045,320</b>	<b>60,659,632</b>	<b>23,329,524</b>	<b>24,683,068</b>
<b>Equity</b>					
Share capital	12	33,035,508	33,035,508	33,035,508	33,035,508
Other reserves		(551,436)	(406,043)	–	–
Accumulated losses		(11,800,361)	(12,284,485)	(53,470,650)	(53,099,530)
<b>Total equity</b>		<b>20,683,711</b>	<b>20,344,980</b>	<b>(20,435,142)</b>	<b>(20,064,022)</b>
<b>Liabilities</b>					
Loans and borrowings	11	9,719,670	9,175,352	–	–
Deferred grant income		205,108	–	–	–
Deferred tax liabilities		1,000	1,000	–	–
<b>Non-current liabilities</b>		<b>9,925,778</b>	<b>9,176,352</b>	<b>–</b>	<b>–</b>
Loans and borrowings	11	18,791,813	23,904,791	–	–
Trade and other payables		4,993,578	6,297,502	43,757,186	44,732,121
Contract liabilities		308,846	458,303	–	–
Deferred grant income		146,284	–	–	–
Current tax liabilities		195,310	477,704	7,480	14,969
<b>Current liabilities</b>		<b>24,435,831</b>	<b>31,138,300</b>	<b>43,764,666</b>	<b>44,747,090</b>
<b>Total liabilities</b>		<b>34,361,609</b>	<b>40,314,652</b>	<b>43,764,666</b>	<b>44,747,090</b>
<b>Total equity and liabilities</b>		<b>55,045,320</b>	<b>60,659,632</b>	<b>23,329,524</b>	<b>24,683,068</b>

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
Note	HY2023 Unaudited S\$	HY2022 Unaudited S\$
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	802,686	642,092
Adjustments for:		
Amortisation of deferred grant income	(87,448)	–
Depreciation of property, plant, and equipment	893,030	755,581
Gain on disposal of plant and equipment	(17,687)	(121)
Gain on disposal of an associate	–	(8,398)
Reversal of impairment loss on trade and other receivables	(9,317)	(609)
Net finance costs	566,944	448,124
<b>Operating cash flows before changes in working capital</b>	<b>2,148,208</b>	<b>1,836,669</b>
Changes in:		
- Inventories	(718,121)	(4,091,785)
- Development properties	5,465,226	(161,364)
- Contract costs	(14,481)	56,538
- Trade and other receivables	1,314,941	669,364
- Contract assets	8,280	181,956
- Trade and other payables	(1,367,610)	(883,663)
- Contract liabilities	(149,526)	4,187
<b>Cash generated from / (used in) operations</b>	<b>6,686,917</b>	<b>(2,388,098)</b>
Tax paid	(492,678)	(281,354)
<b>Net cash from / (used in) operating activities</b>	<b>6,194,239</b>	<b>(2,669,452)</b>
<b><u>Cash flows from investing activities</u></b>		
Acquisition of property, plant and equipment <sup>(Note 1)</sup>	(592,736)	(1,540,604)
Interest received	101	178
Proceeds from disposal of an associate	–	84,380
Proceeds from disposal of plant and equipment	21,888	4,956
Receipt of deferred grant income	438,840	–
<b>Net cash used in investing activities</b>	<b>(131,907)</b>	<b>(1,451,090)</b>

#### D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Note	Group HY2023 Unaudited S\$	HY2022 Unaudited S\$
<b><u>Cash flows from financing activities</u></b>			
Dividends paid to owners of the Company		(235,425)	–
Interest paid		(582,332)	(474,145)
Payment of lease liabilities		(391,347)	(357,967)
Proceeds from loans and borrowings		10,994,536	12,623,827
Repayment of loans and borrowings		(15,229,716)	(10,908,741)
<b>Net cash (used in) / from financing activities</b>		<b>(5,444,284)</b>	<b>882,974</b>
Net changes in cash and cash equivalents		618,048	(3,237,568)
Cash and cash equivalents at beginning of the period		4,536,280	6,981,664
Effect of exchange rate fluctuations on cash held		66,371	84,244
<b>Cash and cash equivalents at end of the period</b>		<b>5,220,699</b>	<b>3,828,340</b>
<b><u>Note 1</u></b>			
Additions of property, plant and equipment		752,174	3,537,818
Less: Funded by bank loans		–	(1,889,636)
Less: Addition in right-of-use assets		(159,438)	(107,578)
Cash used in acquisition of property, plant and equipment		592,736	1,540,604

## E. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Note	Attributable to owners of the Company			Total equity S\$
		Share capital S\$	Foreign currency translation reserve S\$	Accumulated losses S\$	
<b>As at 1 July 2022 (audited)</b>		33,035,508	(406,043)	(12,284,485)	20,344,980
<b>Total comprehensive income for the period</b>					
Profit for the period		–	–	719,549	719,549
<b>Other comprehensive income</b>					
Foreign currency translation differences		–	(145,393)	–	(145,393)
<b>Total comprehensive income for the period</b>		–	(145,393)	719,549	574,156
<b>Transactions with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Dividends declared		–	–	(235,425)	(235,425)
<b>Total transactions with owners</b>		–	–	(235,425)	(235,425)
<b>As at 31 December 2022 (unaudited)</b>		<b>33,035,508</b>	<b>(551,436)</b>	<b>(11,800,361)</b>	<b>20,683,711</b>
<b>As at 1 July 2021 (audited)</b>		33,035,508	185,609	(15,107,969)	18,113,148
<b>Total comprehensive income for the period</b>					
Profit for the period		–	–	399,234	399,234
<b>Other comprehensive income</b>					
Foreign currency translation differences		–	(296,258)	–	(296,258)
<b>Total comprehensive income for the period</b>		–	(296,258)	399,234	102,976
<b>As at 31 December 2021 (unaudited)</b>		<b>33,035,508</b>	<b>(110,649)</b>	<b>(14,708,735)</b>	<b>18,216,124</b>



## E. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (continued)

	Share capital S\$	Accumulated losses S\$	Total equity S\$
<b>Company</b>			
<b>As at 1 July 2022 (audited)</b>	33,035,508	(53,099,530)	(20,064,022)
<b>Total comprehensive income for the period</b>	–	(135,695)	(135,695)
<b>Transactions with owners, recognised directly in equity</b>			
<b><i>Contributions by and distributions to owners</i></b>			
Dividends declared	–	(235,425)	(235,425)
<b>Total transactions with owners</b>	–	(235,425)	(235,425)
<b>As at 31 December 2022 (unaudited)</b>	<u>33,035,508</u>	<u>(53,470,650)</u>	<u>(20,435,142)</u>
<b>As at 1 July 2021 (audited)</b>	33,035,508	(55,162,338)	(22,126,830)
<b>Total comprehensive income for the period</b>	–	(143,230)	(143,230)
<b>As at 31 December 2021 (unaudited)</b>	<u>33,035,508</u>	<u>(55,305,568)</u>	<u>(22,270,060)</u>

## F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate information

TEHO International Inc Ltd. (the “Company”) is a public company limited by shares, incorporated and domiciled in Singapore with its registered office at 1 Commonwealth Lane, #09-23, One Commonwealth, Singapore 149544. The Company’s registration number is 200811433K. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the “Group”). The Company is an investment holding company.

The principal activities of the Group are:

- (a) Supply of rigging and mooring equipment as well as related services to customers mainly in the marine and offshore industries;
- (b) Supply of offshore oil and gas equipment to offshore oil and gas industries;
- (c) Manufacture and repair of water/waste water treatment equipment and provision of environmental engineering design and consultancy services (except clean energy);
- (d) Property development; and
- (e) Provision of real estate valuation services.

### 2. Basis of preparation

The condensed interim consolidated financial statements for the six months 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 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 performance of the Group since the last annual consolidated 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 interim consolidated financial statements are presented in Singapore dollar which is the Company’s functional currency.

#### 2.1 New and amended standards adopted by the Group

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time on 1 July 2022:

- *Reference to Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment: Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)
- *Onerous Contracts – Cost of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- *Annual Improvements to SFRS(I) standards 2018-2020* (Amendments to SFRS(I) 1-1, SFRS(I) 9, illustrative examples accompanying SFRS(I) 16 and SFRS(I) 1-41)

The application of these standards, amendments to standards and interpretations does not have a material effect on the financial statements.

## **2.2 Use of judgements and estimates**

The preparation of the condensed interim consolidated financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

Key judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial period includes the following:

- Measurement of realisable amounts of inventories.

## **3. Seasonal operations**

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

## **4. Segment and revenue information**

The Group is organised into the following main business segments:

- Segment 1: Marine & Offshore comprises of mooring and rigging, water treatment and engineering businesses.
- Segment 2: Property comprises of property development and consultancy services.

These operating segments are reported in a manner consistent with internal reporting provided to the Group's Chief Executive Officer, who is responsible for allocating resources and assessing performance of the operating segments.

## 4.1 Reportable segments

Business Segment Reporting	Marine & Offshore S\$	Property S\$	Unallocated S\$	Group S\$
<b>HY2023</b>				
Revenue	37,360,230	6,183,726	–	43,543,956
Internal revenues	(7,455,232)	–	–	(7,455,232)
External revenues	29,904,998	6,183,726	–	36,088,724
Interest income	15,387	–	–	15,387
Interest expense	(574,911)	(7,420)	–	(582,331)
Depreciation	(851,954)	(3,877)	(37,199)	(893,030)
Reportable segment profit/(loss) before tax	1,128,804	(99,957)	–	1,028,847
Other unallocated expenses	–	–	(226,161)	(226,161)
Consolidated profit before tax				802,686
Reportable segment assets	53,761,296	904,555	379,469	55,045,320
Capital expenditure	746,288	–	5,886	752,174
Reportable segment liabilities	33,906,016	221,413	234,180	34,361,609
<b>HY2022</b>				
Revenue	33,618,771	761,303	–	34,380,074
Internal revenues	(7,840,054)	–	–	(7,840,054)
External revenues	25,778,717	761,303	–	26,540,020
Interest income	178	–	–	178
Interest expense	(412,007)	(36,295)	–	(448,302)
Depreciation	(690,204)	(30,478)	(34,899)	(755,581)
Reportable segment profit/(loss) before tax	1,095,119	(206,743)	–	888,376
Other unallocated expenses	–	–	(246,284)	(246,284)
Consolidated profit before tax				642,092
Reportable segment assets	52,031,975	6,528,142	501,638	59,061,755
Capital expenditure	3,531,132	–	6,686	3,537,818
Reportable segment liabilities	36,068,519	4,336,906	440,206	40,845,631

- (a) The other unallocated items comprise distribution costs, administrative expenses, other operating expenses and other charges which are centralised and not segmented as these items are not directly attributable to the reportable segments.
- (b) The unallocated assets and liabilities cannot be selectively segmented when they are being deployed and/or incurred, as these items are not directly attributable to the reportable segments.

## 4.2 Disaggregation of revenue

### (a) Types of goods or services and timing of revenue recognition

	Group					
	Marine & offshore S\$	HY2023		Marine & offshore S\$	HY2022	
		Property S\$	Total S\$		Property S\$	Total S\$
Types of goods or services:						
- Sale of goods	29,904,998	–	29,904,998	25,778,717	–	25,778,717
- Revenue from property development	–	5,701,000	5,701,000	–	–	–
- Provision of real estate services	–	408,264	408,264	–	551,898	551,898
- Contract revenue	–	74,462	74,462	–	209,405	209,405
	<u>29,904,998</u>	<u>6,183,726</u>	<u>36,088,724</u>	<u>25,778,717</u>	<u>761,303</u>	<u>26,540,020</u>
Timing of revenue recognition:						
- At a point in time	29,904,998	6,109,264	36,014,262	25,778,717	551,898	26,330,615
- Over time	–	74,462	74,462	–	209,405	209,405
	<u>29,904,998</u>	<u>6,183,726</u>	<u>36,088,724</u>	<u>25,778,717</u>	<u>761,303</u>	<u>26,540,020</u>

### (b) Geographical information

	Note	Group					
		Marine & offshore S\$	HY2023		Marine & offshore S\$	HY2022	
			Property S\$	Total S\$		Property S\$	Total S\$
<b>Revenue</b>							
Singapore		11,738,066	6,183,726	17,921,792	11,773,515	761,303	12,534,818
Europe	1	9,762,912	–	9,762,912	7,604,471	–	7,604,471
Southeast Asia	2	3,027,201	–	3,027,201	2,151,835	–	2,151,835
United States of America		1,749,728	–	1,749,728	1,696,271	–	1,696,271
East Asia	3	1,642,279	–	1,642,279	960,131	–	960,131
Middle East	4	645,162	–	645,162	662,658	–	662,658
Other countries	5	1,339,650	–	1,339,650	929,836	–	929,836
Total revenue		<u>29,904,998</u>	<u>6,183,726</u>	<u>36,088,724</u>	<u>25,778,717</u>	<u>761,303</u>	<u>26,540,020</u>

#### Notes:

- Europe includes Cyprus, Netherlands, Greece, Germany, Denmark, United Kingdom, Spain, Norway, France, Turkey, Belgium, Sweden, Finland, Lithuania, Monaco, Switzerland and Italy.
- Southeast Asia includes Malaysia, Philippines, Indonesia, Brunei Darussalam and Thailand.
- East Asia includes Hong Kong, China, South Korea and Taiwan.
- Middle East includes United Arab Emirates, Oman, Israel, Saudi Arabia and Qatar.
- Other countries include Nigeria, Marshall Islands, Maldives, Panama, India, Canada, Brazil, Colombia and Australia.

## 5. Financial assets and liabilities

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 30 June 2022:

	The Group		The Company	
	31 Dec 2022 S\$	30 Jun 2022 S\$	31 Dec 2022 S\$	30 Jun 2022 S\$
<b>Financial asset at fair value through profit or loss</b>				
Derivative financial assets	50,681	50,681	–	–
<b>Financial assets at amortised costs</b>				
Trade and other receivables*	8,638,845	9,669,502	6,790,472	8,141,554
Cash and cash equivalents	5,220,699	4,536,280	60,467	84,298
	<u>13,859,544</u>	<u>14,205,782</u>	<u>6,850,939</u>	<u>8,225,852</u>
<b>Financial liabilities at amortised costs</b>				
Fixed rate loans	(7,110,678)	(7,941,964)	–	–
Lease liabilities	(3,869,759)	(4,103,417)	–	–
Other loans and borrowings	(17,531,046)	(21,034,762)	–	–
Trade and other payables^	(4,993,578)	(6,297,502)	(43,757,186)	(44,732,121)
	<u>(33,505,061)</u>	<u>(39,377,645)</u>	<u>(43,757,186)</u>	<u>(44,732,121)</u>

\* Excludes prepayments and advances to suppliers and derivative financial assets

## 5.1 Measurement of fair value

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3)

The following table presented the financial assets measured at fair value:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<b>Group</b>				
<b>31 December 2022</b>				
<b>Financial asset at fair value through profit or loss</b>				
Derivative financial assets	–	50,681	–	50,681
<b>Group</b>				
<b>30 June 2022</b>				
<b>Financial asset at fair value through profit or loss</b>				
Derivative financial assets	–	50,681	–	50,681

## Valuation techniques

The fair value of derivative financial assets are based on bank quote. Similar contracts are traded in an active market and the quote reflect the actual transactions in similar instruments.

## Transfer between the levels

There were no transfers between the levels during the period.

## 6. Profit before taxation

### 6.1 Significant items

	Group		
	HY2023 Unaudited S\$	HY2022 Unaudited S\$	Change %
Depreciation of property, plant and equipment	(893,030)	(755,581)	18.2
Foreign exchange loss, net	(309,360)	(221,391)	39.7
Grant income	152,632	32,782	>100.0
Reversal of impairment loss on trade and other receivables	9,317	609	>100.0
Interest expense incurred on loans and borrowings	(582,331)	(448,302)	29.9
Gain on disposal of property, plant and equipment	17,687	121	>100.0
Operating lease expenses	(16,148)	(73,831)	(78.1)

### 6.2 Related party transactions

	Group	
	HY2023 Unaudited S\$	HY2022 Unaudited S\$
<b>Related party transactions</b>		
Rental expenses paid to a related party	(144,000)	(146,176)
<b>Transactions with key management personnel</b>		
Salaries and other short-term employee benefits	1,279,859	1,358,957
Post-employment benefits, including employer's contribution to Central Provident Fund	25,016	26,046
Fees to directors of the Company	90,000	90,000
	<u>1,394,875</u>	<u>1,475,003</u>

## 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	HY2023 Unaudited S\$	HY2022 Unaudited S\$
<b>Current tax expense</b>		
Current period	203,648	235,605
Adjustment for prior periods	(120,511)	7,253
	<u>83,137</u>	<u>242,858</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	–	–
Total tax expense	<u>83,137</u>	<u>242,858</u>

## 8. Net Asset Value

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
Net asset/(liability) value (S\$)	20,683,711	20,344,980	(20,435,142)	(20,064,022)
Net asset/(liability) value per ordinary share (Cents)	8.79	8.64	(8.68)	(8.52)
Number of shares in issue	235,424,614	235,424,614	235,424,614	235,424,614

## 9. Earnings per share

Earnings per ordinary share for the period based on profit attributable to owners of the Company, net of tax:

	<b>Group</b>	
	<b>HY2023</b>	<b>HY2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Earnings (S\$) (Profit attributable to owners of the Company, net of tax)	719,549	399,234
(i) Based on weighted average number of ordinary shares in issue (cents)	0.31	0.17
Weighted average number of ordinary shares	235,424,614	235,424,614
(ii) On a fully diluted basis in issue (cents)	0.31	0.17
Weighted average number of ordinary shares	235,424,614	235,424,614

## 10. Property, plant and equipment

During HY2023, the Group acquired assets amounting to S\$752,174 (HY2022: S\$3,537,818). However, it was partially offset by the derecognition of right-of-use assets amounting to S\$Nil (HY2022: S\$316,047) arising from modification of leases, decrease in carrying amounts of property, plant and equipment amounting to S\$174,912 (HY2022: decrease of S\$212,756) due to effects of movement in foreign exchange and disposal of property, plant and equipment with carrying amount of S\$4,201 (HY2022: S\$4,835).



## 11. Borrowings

### Amount repayable within one year or on demand

As at 31 December 2022 (S\$)		As at 30 June 2022 (S\$)	
Secured	Unsecured	Secured	Unsecured
18,791,813	–	23,904,791	–

### Amount repayable after one year

As at 31 December 2022 (S\$)		As at 30 June 2022 (S\$)	
Secured	Unsecured	Secured	Unsecured
9,719,670	–	9,175,352	–

### Details of collateral

As at 31 December 2022, the total loans and borrowings comprise:

- Bank borrowings of S\$22,850,252 (30 June 2022: S\$27,094,408), which are secured by corporate guarantees by the Company and legal charges on the Group's freehold and leasehold land and buildings;
- Bank borrowing of S\$1,791,472 (30 June 2022: S\$1,882,318), which is secured by legal charges on a freehold land and building and covered by a personal guarantee by the director of a subsidiary; and
- Lease liabilities of S\$3,869,759 (30 June 2022: S\$4,103,417), which are secured over the right-of-use assets.

## 12. Share capital

	Company			
	Number of shares		Amount (S\$)	
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
<b>Issued and fully paid ordinary share capital with no par value:</b>				
At beginning and at end of the period	235,424,614	235,424,614	33,035,508	33,035,508

The Company did not hold any subsidiary holdings, treasury shares and convertibles except for the performance share plan as described below as at 31 December 2022, 30 June 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022, 30 June 2022 and 31 December 2021.

### **Performance share plan**

The Company's long-term employee incentive scheme known as the TEHO Performance Share Plan 2021 ("TEHO PSP 2021") was approved and adopted by shareholders at the Company's extraordinary general meeting held on 27 October 2021. TEHO PSP 2021 is administered by the Remuneration Committee ("RC") with such discretion, powers and duties as are conferred on it by the Board of Directors. The members of the RC are Ms Joanne Khoo Su Nee, Mr Kwah Thiam Hock and Mr Chua Kim Leng, who are our Independent Non-Executive Directors.

TEHO PSP 2021 contemplates the award of fully-paid shares in the capital of the Company to participants after certain pre-determined benchmarks have been met. The Company believes that TEHO PSP 2021 will be more effective than pure cash bonuses in motivating employees to work towards pre-determined goals and promoting the long-term interest of the Company.

TEHO PSP 2021 shall continue to be in force at the discretion of the RC, subject to a maximum period of 10 years commencing from its adoption by the shareholders and may continue beyond the stipulated period with the approval of the shareholders by an ordinary resolution in general meeting and of any relevant authorities which may then be required.

Under the rules of TEHO PSP 2021 and at the absolute discretion of the RC, confirmed full-time employees of the Group who are of the age of 18 years and above, and directors of the Company who have contributed or will contribute to the success and the development of the Group are eligible to participate in TEHO PSP 2021. However, participation in TEHO PSP 2021 by the directors who are also controlling shareholders and their associates are subject to the approval by independent shareholders of the Company at general meeting.

The total number of shares that may be issued or are issuable pursuant to the granting of the awards under TEHO PSP 2021, when added to the aggregate number of shares that are issued or are issuable in respect of such other share-based incentive schemes of the Company (if any), shall not exceed 15% (or such other percentage as may be prescribed or permitted from time to time by the SGX-ST) of the total number of issued ordinary shares of the Company on the day immediately preceding the relevant grant date.

For the six months ended 31 December 2022 and 31 December 2021, no awards are granted by the Company under TEHO PSP 2021 and TEHO PSP.

### **13. Subsequent events**

There are no significant subsequent events which have led to adjustments and disclosures to this set of interim financial statements.

## **G. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C**

### **1. Review**

The condensed interim consolidated statements of financial position of the Company and its subsidiaries as at 31 December 2022 and the related condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statements of changes in equity and condensed interim consolidated statement of cash flows for the six months ended 31 December 2022 and certain explanatory notes have not been audited or reviewed by auditors.

The Group's latest audited financial statements for the financial year ended 30 June 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

### **2. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>As at 31 Dec 2022</b>	<b>As at 30 Jun 2022</b>
Total number of issued shares (excluding treasury shares)	235,424,614	235,424,614

The Company did not have any treasury shares as at 31 December 2022 and 30 June 2022.

### **3. A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during the current financial period reported on.

### **4. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during the current financial period reported on.

### **5. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by auditors.

### **6. Where the figures have been audited or reviewed, the auditor's report (including any modifications or emphasis of a matter).**

Not applicable. The figures have not been audited nor reviewed by auditors.

**7. 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 issues on the financial statements have been adequately disclosed.**

Not applicable. The Group's latest audited financial statements for the financial year ended 30 June 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

**8. Review of the performance of the Group**

**Financial Performance Review**

*Revenue*

Revenue increased by S\$9.6 million or 36.0% to S\$36.1 million for the financial period from 1 July 2022 to 31 December 2022 ("HY2023") from S\$26.5 million for the financial period from 1 July 2021 to 31 December 2021 ("HY2022").

- Marine & Offshore Segment revenue increased by 16.0% or S\$4.1 million in HY2023 as compared to HY2022. This was mainly due to the increase in revenue contribution from the mooring and rigging business of S\$3.7 million and water treatment businesses of S\$0.6 million, partially offset by the decrease in revenue contribution from the engineering business.
- Revenue contribution from Property Segment increased by S\$5.4 million in HY2023 as compared to HY2022. The increase was mainly due to the sale of a semi-detached landed property, and this had also contributed to the increase in cost of sales for this segment.

*Gross profit*

The Group's gross profit of S\$11.2 million in HY2023 increased marginally by S\$0.5 million or 4.2% compared to HY2022. The Group's gross profit margin decreased to 31.1% in HY2023 as compared to 40.6% in HY2022.

- Marine & Offshore Segment contributed gross profit of S\$10.6 million to the Group in HY2023 as compared to S\$10.2 million in HY2022. The gross profit margin decreased to 35.6% in HY2023 from 39.5% in HY2022. The decrease in gross profit margin was mainly due to the lower gross profit margin from the mooring and rigging business.
- Property Segment contributed gross profit of S\$0.6 million to the Group in HY2023, of which S\$0.4 million was contributed by the Group's property consultancy business.

*Other operating income*

Other operating income increased by S\$146,000 to S\$195,000 in HY2023 from S\$49,000 in HY2022. The increase was mainly due to the grant received from Enterprise Singapore for process improvement projects for mooring and rigging business.

*Distribution expenses*

Distribution expenses increased by S\$0.1 million or 19.8% to S\$0.8 million in HY2023 from S\$0.7 million in HY2022 due to rising freight costs in line with the increase in the amount of inventory purchased during the period.

*Administrative expenses*

Administrative expenses decreased marginally by S\$0.1 million or 1.7% in HY2023. The decrease was mainly due to absences of legal fees of S\$0.3 million as a result of global settlement reached in March 2022. The decrease in legal fees was partially offset by the increase in manpower costs.

#### *Other operating expenses*

Other operating expenses increased by S\$0.3 million in HY2023. The increase was mainly due to:

- Foreign exchange loss of S\$0.1 million due to fluctuation in Euro (“EUR”) and United States Dollar (“USD”) against Singapore Dollar (“SGD”).
- Increase in depreciation expenses by S\$0.2 million.

#### *Finance income*

Finance income, comprising mainly interest income from bank deposits, remained insignificant for HY2023.

#### *Finance costs*

Finance costs increased by S\$134,000 or 29.9% to S\$582,000 in HY2023 from S\$448,000 in HY2022. The increase was mainly due to the significant increase in interest rates in HY2023.

#### *Income tax expense*

In HY2023, the Group incurred an income tax expense of S\$0.1 million as compared to S\$0.2 million in HY2022.

#### *Profit for the period*

Combining the profit before tax of S\$1.1 million for the Marine & Offshore Segment, loss before tax of S\$0.1 million for the Property Segment and the unallocated head office expenses of S\$0.2 million, the Group’s profit before tax was S\$0.8 million in HY2023 as compared to a profit before tax of S\$0.6 million in HY2022. After accounting for income tax expense of S\$0.1 million in HY2023, the Group’s profit for HY2023 is S\$0.7 million as compared to a profit of S\$0.4 million in HY2022.

### **Financial Position Review**

#### *Non-current assets*

Non-current assets decreased to S\$15.0 million as at 31 December 2022 from S\$15.4 million as at 30 June 2022. This decrease was mainly due to the following:

- Property, plant and equipment decreased by S\$0.3 million due to (i) amortisation of right-of-use assets and depreciation of property, plant and equipment of S\$0.9 million and (ii) the effect of movements in exchange rates for property, plant and equipment of foreign subsidiaries of S\$0.2 million. The decrease stated above was partially offset by the acquisition of plant and equipment of S\$0.8 million.
- Other receivables decreased by S\$0.1 million due to monthly repayments from the global settlement of a legal suit.

#### *Current assets*

Current assets decreased by S\$5.1 million from S\$45.2 million as at 30 June 2022 to S\$40.1 million as at 31 December 2022. The decrease was mainly due to the following:

- Development properties decreased by S\$5.5 million as at 31 December 2022 was due to the sale of a landed residential property located at 16 Lorong Salleh in Singapore.
- Trade and other receivables decreased by S\$1.1 million, due to prompt payments from customers during the period.

The decrease stated above was offset by the following:

- Inventories increased by S\$0.7 million from S\$25.1 million as at 30 June 2022 to S\$25.8 million as at 31 December 2022. This is in line with Group’s strategy to boost its supply chain resilience by increasing its inventories in order to minimise the adverse impact of the global supply chain disruptions.
- Tax recoverable increased by S\$0.1 million.

- Cash and cash equivalents increased by S\$0.7 million from S\$4.5 million as at 30 June 2022 to S\$5.2 million as at 31 December 2022. Please refer to the “Cash Flows Review” section below for details.

#### *Non-current liabilities*

Non-current liabilities increased by S\$0.7 million to S\$9.9 million as at 31 December 2022 from S\$9.2 million as at 30 June 2022. The increase was mainly due to the following:

- Non-current portion of loans and borrowings increased by S\$0.5 million, due mainly to reclassification of a bank loan of S\$1.7 million to non-current portion. The increase was partially offset by the (i) repayment in term loans of S\$1.1 million and (ii) repayment of lease liabilities by S\$0.1 million.
- Deferred grant income increased by \$0.2 million due to the recognition of grant received over the useful life of the process improvement projects for mooring and rigging business.

#### *Current liabilities*

Current liabilities decreased by S\$6.7 million to S\$24.4 million as at 31 December 2022 from S\$31.1 million as at 30 June 2022. The decrease was mainly due to the following:

- Current portion of loans and borrowings decreased by S\$5.1 million, due to (i) repayment of land and construction loans of S\$3.6 million as the Group sold its development at 16 Lorong Salleh in Singapore, (ii) reclassification of a bank loan of S\$1.7 million to non-current portion and (iii) repayment of lease liabilities of S\$0.2 million. The decrease stated above was offset by drawdown of short-term bank facilities.
- Trade and other payables decreased by S\$1.3 million due to slowdown in purchase of goods in December 2022 in order to maintain inventories at the optimum level.
- Contract liabilities decreased by S\$0.1 million.
- Current tax liabilities decreased by S\$0.3 million was due mainly to adjustment for overprovision of taxation for prior periods.

The decrease stated above was offset by the increase of deferred grant income of S\$0.1 million due to the recognition of grant received over the useful life of the process improvement projects for the mooring and rigging business.

#### *Shareholders' equity*

Shareholders' equity increased by S\$0.4 million to S\$20.7 million as at 31 December 2022 from S\$20.3 million as at 30 June 2022. The increase was mainly due to the net profit recorded for HY2023 amounting to S\$0.7 million.

The increase stated above was partially offset by the following:

- Dividend declared of S\$0.2 million.
- Decrease in other reserves of S\$0.1 million.

### **Cash Flows Review**

The Group's net cash flows generated from operating activities was S\$6.2 million in HY2023 compared to net cash used in operating activities of S\$2.7 million in HY2022. The increase in net cash flows generated from operating activities was mainly due to lower working capital requirements in HY2022.

Net cash flows used in investing activities amounted to S\$0.1 million in HY2023 was mainly due to capital expenditure on the acquisition of property, plant and equipment.

Net cash flows used in financing activities amounted to S\$5.4 million, mainly attributable to repayments of bank borrowings and lease liabilities, and interest paid, partially offset by proceeds from the drawdowns of bank loans and borrowings.

As at 31 December 2022, the Group has cash and cash equivalents of S\$5.2 million as compared to S\$3.8 million as at 31 December 2021.

**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 had been previously disclosed.

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

Despite the easing of COVID-19 measures globally, the world is now facing ongoing geopolitical uncertainties and macro-economic concerns such as global supply chain disruptions, the Russia-Ukraine conflict, inflation and rising interest rates. The Group continues to maintain a cautious outlook for the next twelve months and will step up its efforts in optimizing its business amidst these challenging times.

**11. Dividend information**

**If a decision regarding dividend has been made:**

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

No.

**(b) Previous corresponding period**

No dividends were declared or recommended in the previous corresponding period.

**(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.**

Not applicable.

**(d) The date the dividend is payable**

Not applicable.

**(e) The date on which Registrable Transfers received 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 and the reason(s) for the decision.**

After considering the cash flow requirements of the Group and to be prudent, no interim dividend has been recommended.

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

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

The aggregate value of interested person transactions entered into during HY2023 are as follows:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than S\$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 S\$100,000)
Asdev Investments Pte. Ltd. - Rental of office space	Mr Lim See Hoe, the Chief Executive Officer and controlling shareholder of the Company, is a director and sole shareholder of Asdev Investments Pte. Ltd.	S\$  144,000	S\$  –

**14. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules**

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

**15. Confirmation by the Board pursuant to Rule 705(5)**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 31 December 2022 to be false or misleading in any material aspect.

**16. Disclosure pursuant to Rule 706A of the Catalist Rules**

There were no acquisition or realisation of shares in any of the Group's subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during HY2023.

On behalf of the Board of Directors

Lim See Hoe  
Executive Chairman and Chief Executive Officer

Lim Siew Cheng  
Executive Director and Chief Operating Officer

Singapore

10 February 2023