

TEHO INTERNATIONAL INC LTD.

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2023

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

		Group					
		2HY2023	2HY2022	Change	FY2023	FY2022	Change
	Note	Unaudited S\$	Unaudited S\$	%	Unaudited S\$	Audited S\$	%
Revenue	4	34,628,936	30,636,144	13.0	70,717,660	57,176,164	23.7
Cost of sales		(22,290,540)	(18,823,654)	18.4	(47,140,970)	(34,580,536)	36.3
Gross profit		12,338,396	11,812,490	4.5	23,576,690	22,595,628	4.3
Other operating income		206,861	1,450,549	(85.7)	401,415	1,499,635	(73.2)
Distribution expenses		(732,936)	(864,985)	(15.3)	(1,580,572)	(1,572,417)	0.5
Administrative expenses		(6,379,930)	(6,589,308)	(3.2)	(13,278,634)	(13,610,529)	(2.4)
Other operating expenses		(2,161,288)	(2,315,703)	(6.7)	(4,478,166)	(4,329,058)	3.4
Results from operating activities		3,271,103	3,493,043	(6.4)	4,640,733	4,583,259	1.3
Finance income		16,929	3,497	>100.0	32,316	3,675	>100.0
Finance costs		(627,936)	(467,090)	34.4	(1,210,267)	(915,392)	32.2
Net finance costs		(611,007)	(463,593)	31.8	(1,177,951)	(911,717)	29.2
Share of results of equity-accounted investees (net of tax)		-	-	n.m.	-	-	n.m.
Profit before tax	6	2,660,096	3,029,450	(12.2)	3,462,782	3,671,542	(5.7)
Tax expense	7	(539,652)	(605,200)	(10.8)	(622,789)	(848,058)	(26.6)
Profit for the period / year		2,120,444	2,424,250	(12.5)	2,839,993	2,823,484	0.6
Earnings per share							
Basic (cents)	9	0.90	1.03	(12.6)	1.21	1.20	0.5
Diluted (cents)	9	0.90	1.03	(12.6)	1.21	1.20	0.5

Notes:

(1) 2HY2023 : 6 months ended 30 June 2023

(2) 2HY2022 : 6 months ended 30 June 2022

(3) FY2023 : 12 months ended 30 June 2023

(4) FY2022 : 12 months ended 30 June 2022

(5) n.m.: not meaningful.

B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	Group					
	2HY2023	2HY2022	Change	FY2023	FY2022	Change
	Unaudited S\$	Unaudited S\$	%	Unaudited S\$	Audited S\$	%
Profit for the period / year	2,120,444	2,424,250	(12.5)	2,839,993	2,823,484	0.6
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences, net of tax	272,997	(295,394)	n.m.	127,604	(591,652)	n.m.
Other comprehensive income for the period / year, net of tax	272,997	(295,394)	n.m.	127,604	(591,652)	n.m.
Total comprehensive income for the period / year	2,393,441	2,128,856	12.4	2,967,597	2,231,832	33.0

C. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
		Unaudited S\$	Audited S\$	Unaudited S\$	Audited S\$
Assets					
Property, plant and equipment	11	14,236,927	14,709,352	193,682	249,728
Investment in subsidiaries		–	–	15,869,035	16,184,006
Investment in joint venture		–	–	–	–
Deferred tax assets		255,939	232,663	–	–
Trade and other receivables		224,678	500,272	–	–
Non-current assets		14,717,544	15,442,287	16,062,717	16,433,734
Inventories		22,855,251	25,093,190	–	–
Development properties		–	5,465,226	–	–
Contract costs		1,560	26,250	–	–
Tax recoverable		1,004	1,038	–	–
Trade and other receivables		10,806,451	10,056,463	8,314,494	8,165,036
Contract assets		2,910	38,898	–	–
Cash and cash equivalents		8,115,573	4,536,280	71,039	84,298
Asset held for sale		569,011	–	–	–
Current assets		42,351,760	45,217,345	8,385,533	8,249,334
Total assets		57,069,304	60,659,632	24,448,250	24,683,068
Equity					
Share capital	13	33,035,508	33,035,508	33,035,508	33,035,508
Other reserves		(278,439)	(406,043)	–	–
Accumulated losses		(9,679,917)	(12,284,485)	(47,120,583)	(53,099,530)
Total equity		23,077,152	20,344,980	(14,085,075)	(20,064,022)
Liabilities					
Loans and borrowings	12	8,742,111	9,175,352	–	–
Deferred grant income		131,966	–	–	–
Deferred tax liabilities		1,000	1,000	–	–
Non-current liabilities		8,875,077	9,176,352	–	–
Loans and borrowings	12	18,298,079	23,904,791	–	–
Trade and other payables		6,231,965	6,297,502	38,533,325	44,732,121
Contract liabilities		175,001	458,303	–	–
Deferred grant income		146,284	–	–	–
Current tax liabilities		265,746	477,704	–	14,969
Current liabilities		25,117,075	31,138,300	38,533,325	44,747,090
Total liabilities		33,992,152	40,314,652	38,533,325	44,747,090
Total equity and liabilities		57,069,304	60,659,632	24,448,250	24,683,068

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		Group	
	Note	FY2023 Unaudited S\$	FY2022 Audited S\$
<u>Cash flows from operating activities</u>			
Profit before tax		3,462,782	3,671,542
Adjustments for:			
Amortisation of deferred grant income		(160,590)	–
Bad debts written off	6.1	3,131	39,219
Depreciation of property, plant, and equipment		1,784,162	1,571,649
Fair value gain on derivatives	6.1	(38,285)	(166,892)
Loss /(Gain) on disposal of plant and equipment	6.1	24,854	(1,311)
Gain on disposal of an associate		–	(8,398)
Gain on modification of lease contracts		(26,716)	(922)
Reversal of impairment loss on trade and other receivables and contract assets	6.1	(120,616)	(23,023)
Net finance costs		1,177,951	911,717
Operating cash flows before changes in working capital		6,106,673	5,993,581
Changes in:			
- Inventories		2,288,305	(4,134,488)
- Development properties		5,465,226	(82,353)
- Contract costs		24,690	30,288
- Trade and other receivables		(264,075)	(987,628)
- Contract assets		36,540	280,245
- Trade and other payables		(11,323)	398,859
- Contract liabilities		(283,240)	268,861
Cash generated from operations		13,362,796	1,767,365
Tax paid		(835,129)	(900,643)
Net cash from operating activities		12,527,667	866,722
<u>Cash flows from investing activities</u>			
Acquisition of property, plant and equipment ^(Note 1)		(1,057,255)	(1,535,757)
Interest received		174	299
Proceeds from disposal of an associate		–	84,380
Proceeds from disposal of plant and equipment		–	29,612
Receipt of deferred grant income		438,840	–
Net cash used in investing activities		(618,241)	(1,421,466)

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

		Group	
	Note	FY2023 Unaudited S\$	FY2022 Audited S\$
<u>Cash flows from financing activities</u>			
Dividend paid to owners of the Company	10	(235,425)	–
Interest paid		(1,210,267)	(941,235)
Payment of lease liabilities		(826,747)	(750,710)
Proceeds from loans and borrowings		19,332,778	22,821,777
Repayment of loans and borrowings		(25,381,596)	(23,167,257)
Net cash used in financing activities		(8,321,257)	(2,037,425)
Net increase / (decrease) in cash and cash equivalents		3,588,169	(2,592,169)
Cash and cash equivalents at beginning of the year		4,536,280	6,981,664
Effect of exchange rate fluctuations on cash held		(8,876)	146,785
Cash and cash equivalents at end of the year		8,115,573	4,536,280
<u>Note 1</u>			
Additions of property, plant and equipment		2,209,656	3,961,219
Less: Funded by bank loans		–	(1,889,636)
Less: Addition in right-of-use assets		(1,152,401)	(535,826)
Cash used in acquisition of property, plant and equipment		<u>1,057,255</u>	<u>1,535,757</u>

E. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to owners of the Company			
	Share capital S\$	Foreign currency translation reserve S\$	Accumulated losses S\$	Total equity S\$
As at 1 July 2022 (audited)	33,035,508	(406,043)	(12,284,485)	20,344,980
Total comprehensive income for the year				
Profit for the year	–	–	2,839,993	2,839,993
Other comprehensive income				
Foreign currency translation differences	–	127,604	–	127,604
Total comprehensive income for the year	–	127,604	2,839,993	2,967,597
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividends declared (Note 10)	–	–	(235,425)	(235,425)
Total transactions with owners	–	–	(235,425)	(235,425)
As at 30 June 2023 (unaudited)	33,035,508	(278,439)	(9,679,917)	23,077,152
As at 1 July 2021 (audited)	33,035,508	185,609	(15,107,969)	18,113,148
Total comprehensive income for the year				
Profit for the year	–	–	2,823,484	2,823,484
Other comprehensive income				
Foreign currency translation differences	–	(591,652)	–	(591,652)
Total comprehensive income for the year	–	(591,652)	2,823,484	2,231,832
As at 30 June 2022 (audited)	33,035,508	(406,043)	(12,284,485)	20,344,980

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

	Share capital S\$	Accumulated losses S\$	Total equity S\$
Company			
As at 1 July 2022 (audited)	33,035,508	(53,099,530)	(20,064,022)
Total comprehensive income for the year	–	6,214,372	6,214,372
Transactions with owners, recognised directly in equity			
Contributions by and distributions to owners			
Dividends declared (Note 10)	–	(235,425)	(235,425)
Total transactions with owners	–	(235,425)	(235,425)
As at 30 June 2023 (unaudited)	33,035,508	(47,120,583)	(14,085,075)
As at 1 July 2021 (audited)	33,035,508	(55,162,338)	(22,126,830)
Total comprehensive income for the year	–	2,062,808	2,062,808
As at 30 June 2022 (audited)	33,035,508	(53,099,530)	(20,064,022)

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 and full year ended 30 June 2023 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;
- (d) Real estate development; and
- (e) Provision of real estate valuation services.

2. Basis of preparation

The condensed interim consolidated financial statements for the six (6) months and full year ended 30 June 2023 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 presentation for the six (6) months and full year ended 30 June 2023 unaudited condensed interim consolidated financial statements are prepared in accordance with the relevant accounting standards under Singapore Financial Reporting Standards (International) ("SFRS(I)s") which is to comply with Catalist Rule 705(3A).

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.

2.1 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 were not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Segment 1: Marine & Offshore comprises mooring and rigging, water treatment and engineering businesses.
- Segment 2: Property comprises 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\$
2HY2023				
Revenue	41,229,987	815,043	–	42,045,030
Internal revenue	(7,416,094)	–	–	(7,416,094)
External revenue	<u>33,813,893</u>	<u>815,043</u>	<u>–</u>	<u>34,628,936</u>
Interest income	16,929	–	–	16,929
Interest expense	(626,970)	(966)	–	(627,936)
Depreciation	(839,176)	(14,461)	(37,495)	(891,132)
Reportable segment profit/(loss) before tax	3,005,409	(36,277)	–	2,969,132
Other unallocated expenses	–	–	(309,036)	<u>(309,036)</u>
Consolidated profit before tax				<u><u>2,660,096</u></u>
Reportable segment assets	56,172,340	585,129	311,835	57,069,304
Capital expenditure	1,395,799	48,919	12,764	1,457,482
Reportable segment liabilities	<u>33,496,436</u>	<u>263,390</u>	<u>232,326</u>	<u>33,992,152</u>
2HY2022				
Revenue	37,848,848	611,120	–	38,459,968
Internal revenue	(7,823,824)	–	–	(7,823,824)
External revenue	<u>30,025,024</u>	<u>611,120</u>	<u>–</u>	<u>30,636,144</u>
Interest income	3,497	–	–	3,497
Interest expense	(410,781)	(56,309)	–	(467,090)
Depreciation	(766,857)	(12,617)	(36,594)	(816,068)
Reportable segment profit before tax	3,050,418	305,221	–	3,355,639
Other unallocated expenses	–	–	(326,189)	<u>(326,189)</u>
Consolidated profit before tax				<u><u>3,029,450</u></u>
Reportable segment assets	53,951,846	6,342,810	364,976	60,659,632
Capital expenditure	412,817	–	10,584	423,401
Reportable segment liabilities	<u>36,096,934</u>	<u>3,953,069</u>	<u>264,649</u>	<u>40,314,652</u>

Business Segment Reporting	Marine & Offshore S\$	Property S\$	Unallocated S\$	Group S\$
FY2023				
Revenue	78,590,217	6,998,769	–	85,588,986
Internal revenue	(14,871,326)	–	–	(14,871,326)
External revenue	<u>63,718,891</u>	<u>6,998,769</u>	<u>–</u>	<u>70,717,660</u>
Interest income	32,316	–	–	32,316
Interest expense	(1,201,881)	(8,386)	–	(1,210,267)
Depreciation	(1,691,130)	(18,338)	(74,694)	(1,784,162)
Reportable segment profit/(loss) before tax	4,134,213	(136,234)	–	3,997,979
Other unallocated expenses	–	–	(535,197)	(535,197)
Consolidated profit before tax				<u>3,462,782</u>
Reportable segment assets	56,172,340	585,129	311,835	57,069,304
Capital expenditure	2,142,087	48,919	18,650	2,209,656
Reportable segment liabilities	<u>33,496,436</u>	<u>263,390</u>	<u>232,326</u>	<u>33,992,152</u>
FY2022				
Revenue	71,467,619	1,372,423	–	72,840,042
Internal revenue	(15,663,878)	–	–	(15,663,878)
External revenue	<u>55,803,741</u>	<u>1,372,423</u>	<u>–</u>	<u>57,176,164</u>
Interest income	3,675	–	–	3,675
Interest expense	(822,788)	(92,604)	–	(915,392)
Depreciation	(1,457,061)	(43,095)	(71,493)	(1,571,649)
Reportable segment profit before tax	4,145,537	98,478	–	4,244,015
Other unallocated expenses	–	–	(572,473)	(572,473)
Consolidated profit before tax				<u>3,671,542</u>
Reportable segment assets	53,951,846	6,342,810	364,976	60,659,632
Capital expenditure	3,943,949	–	17,270	3,961,219
Reportable segment liabilities	<u>36,096,934</u>	<u>3,953,069</u>	<u>264,649</u>	<u>40,314,652</u>

- (a) The other unallocated items comprises 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\$	2HY2023 Property S\$	Total S\$	Marine & Offshore S\$	2HY2022 Property S\$	Total S\$
Types of goods or services:						
- Sale of goods	33,813,893	–	33,813,893	30,025,024	–	30,025,024
- Provision of real estate services	–	426,138	426,138	–	611,120	611,120
- Contract revenue	–	388,905	388,905	–	–	–
	<u>33,813,893</u>	<u>815,043</u>	<u>34,628,936</u>	<u>30,025,024</u>	<u>611,120</u>	<u>30,636,144</u>
Timing of revenue recognition:						
- At a point in time	33,813,893	426,138	34,240,031	30,025,024	611,120	30,636,144
- Over time	–	388,905	388,905	–	–	–
	<u>33,813,893</u>	<u>815,043</u>	<u>34,628,936</u>	<u>30,025,024</u>	<u>611,120</u>	<u>30,636,144</u>

	Group					
	Marine & Offshore S\$	FY2023 Property S\$	Total S\$	Marine & Offshore S\$	FY2022 Property S\$	Total S\$
Types of goods or services:						
- Sale of goods	63,718,891	–	63,718,891	55,803,741	–	55,803,741
- Revenue from property development	–	5,701,000	5,701,000	–	–	–
- Provision of real estate services	–	834,402	834,402	–	1,163,018	1,163,018
- Contract revenue	–	463,367	463,367	–	209,405	209,405
	<u>63,718,891</u>	<u>6,998,769</u>	<u>70,717,660</u>	<u>55,803,741</u>	<u>1,372,423</u>	<u>57,176,164</u>
Timing of revenue recognition:						
- At a point in time	63,718,891	6,535,402	70,254,293	55,803,741	1,163,018	56,966,759
- Over time	–	463,367	463,367	–	209,405	209,405
	<u>63,718,891</u>	<u>6,998,769</u>	<u>70,717,660</u>	<u>55,803,741</u>	<u>1,372,423</u>	<u>57,176,164</u>

(b) Geographical information

	Note	Group					
		Marine & Offshore S\$	2HY2023 Property S\$	Total S\$	Marine & Offshore S\$	2HY2022 Property S\$	Total S\$
Revenue							
Singapore		13,355,200	815,043	14,170,243	13,081,811	611,120	13,692,931
Europe	1	12,625,259	–	12,625,259	10,472,179	–	10,472,179
Southeast Asia	2	3,267,758	–	3,267,758	2,486,424	–	2,486,424
United States of America		1,885,970	–	1,885,970	1,302,649	–	1,302,649
East Asia	3	832,425	–	832,425	1,118,260	–	1,118,260
Middle East	4	660,201	–	660,201	688,822	–	688,822
Other countries	5	1,187,080	–	1,187,080	874,879	–	874,879
Total revenue		<u>33,813,893</u>	<u>815,043</u>	<u>34,628,936</u>	<u>30,025,024</u>	<u>611,120</u>	<u>30,636,144</u>

	Note	Group					
		FY2023		FY2022			
		Marine & Offshore S\$	Property S\$	Total S\$	Marine & Offshore S\$	Property S\$	Total S\$
Revenue							
Singapore		25,093,266	6,998,769	32,092,035	24,855,326	1,372,423	26,227,749
Europe	1	22,388,171	–	22,388,171	18,076,650	–	18,076,650
Southeast Asia	2	6,294,959	–	6,294,959	4,638,259	–	4,638,259
United States of America		3,635,698	–	3,635,698	2,998,920	–	2,998,920
East Asia	3	2,474,704	–	2,474,704	2,078,391	–	2,078,391
Middle East	4	1,305,363	–	1,305,363	1,351,480	–	1,351,480
Other countries	5	2,526,730	–	2,526,730	1,804,715	–	1,804,715
Total revenue		<u>63,718,891</u>	<u>6,998,769</u>	<u>70,717,660</u>	<u>55,803,741</u>	<u>1,372,423</u>	<u>57,176,164</u>

Notes:

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

(c) A breakdown of sales:

		Group		
		FY2023 S\$ Unaudited	FY2022 S\$ Unaudited	% Increase/ (Decrease)
First Half				
(a)	Revenue	36,088,724	26,540,020	36.0
(b)	Operating profit after tax before deducting non-controlling interests	719,549	399,234	80.2
Second half				
(a)	Revenue	34,628,936	30,636,144	13.0
(b)	Operating profit after tax before deducting non-controlling interests	2,120,444	2,424,250	(12.5)

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 30 June 2023 and 30 June 2022:

	The Group		The Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	S\$	S\$	S\$	S\$
Financial asset at fair value through profit or loss				
Derivative financial assets	88,966	50,681	–	–
Financial assets at amortised costs				
Trade and other receivables*	10,378,274	9,669,502	8,274,848	8,141,554
Cash and cash equivalents	8,115,573	4,536,280	71,039	84,298
	<u>18,493,847</u>	<u>14,205,782</u>	<u>8,345,887</u>	<u>8,225,852</u>
Financial liabilities at amortised costs				
Fixed rate loans	(6,435,279)	(7,941,964)	–	–
Lease liabilities	(4,136,103)	(4,103,417)	–	–
Other loans and borrowings	(16,468,808)	(21,034,762)	–	–
Trade and other payables	(6,231,965)	(6,297,502)	(38,533,325)	(44,732,121)
	<u>(33,272,155)</u>	<u>(39,377,645)</u>	<u>(38,533,325)</u>	<u>(44,732,121)</u>

* Excludes prepayments, advances to suppliers and derivative financial assets

5.1 Measurement of fair value

The Group classifies financial assets and liabilities 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 and liabilities measured at fair value:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Group				
30 June 2023				
Financial asset at fair value through profit or loss				
Derivative financial assets	–	88,966	–	88,966
Group				
30 June 2022				
Financial asset at fair value through profit or loss				
Derivative financial assets	–	50,681	–	50,681

Valuation techniques

The fair value of derivative financial assets and liabilities are based on broker 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 year.

6. Profit before tax

6.1 Significant items

	Group					
	2HY2023	2HY2022	Change	FY2023	FY2022	Change
	Unaudited	Unaudited	%	Unaudited	Audited	%
	S\$	S\$		S\$	S\$	
Bad debts written off	(3,131)	(39,219)	(92.0)	(3,131)	(39,219)	(92.0)
Depreciation of property, plant and equipment	(891,132)	(816,068)	9.2	(1,784,162)	(1,571,649)	13.5
Fair value gain on derivatives	38,285	166,892	(77.1)	38,285	166,892	(77.1)
Foreign exchange loss, net	(10,735)	(147,310)	(92.7)	(320,095)	(368,701)	(13.2)
Grant income	92,934	49,361	88.3	245,566	82,143	>100.0
Reversal of impairment on trade and other receivables and contract assets	111,299	22,414	>100.0	120,616	23,023	>100.0
Interest expense incurred on loans and borrowings	(627,936)	(467,090)	34.4	(1,210,267)	(915,392)	32.2
(Loss)/Gain on disposal of property, plant and equipment	(42,542)	1,190	n.m.	(24,854)	1,311	n.m.
Gain on disposal of an associate	–	–	n.m.	–	8,398	n.m.
Gain on modification of lease contracts	26,716	922	>100.0	26,716	922	>100.0
Operating lease expenses	(10,595)	(35,714)	(70.3)	(26,743)	(109,545)	(75.6)
Other income arising from a settlement agreement	–	771,574	n.m.	–	771,574	n.m.

6.2 Related party transactions

	Group			
	2HY2023 Unaudited S\$	2HY2022 Unaudited S\$	FY2023 Unaudited S\$	FY2022 Audited S\$
Related party transactions				
Rental expenses paid to a related party	(144,000)	(144,000)	(288,000)	(290,176)
Transactions with key management personnel				
Salaries and other short-term employee benefits	1,039,889	1,014,016	2,319,748	2,372,973
Post-employment benefits, including employer's contribution to Central Provident Fund	34,759	35,027	59,775	61,073
Fees to directors of the Company	90,000	90,000	180,000	180,000
	<u>1,164,648</u>	<u>1,139,043</u>	<u>2,559,523</u>	<u>2,614,046</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			
	2HY2023 Unaudited S\$	2HY2022 Unaudited S\$	FY2023 Unaudited S\$	FY2022 Audited S\$
Current tax expense				
Current year	506,091	645,447	709,739	881,052
Adjustment for prior periods	58,127	66,464	(62,384)	73,717
	<u>564,218</u>	<u>711,911</u>	<u>647,355</u>	<u>954,769</u>
Deferred tax expense				
Origination and reversal of temporary differences	(24,566)	(106,711)	(24,566)	(106,711)
Total tax expense	<u>539,652</u>	<u>605,200</u>	<u>622,789</u>	<u>848,058</u>

8. Net Asset Value

	Group		Company	
	As at 30 June 2023 Unaudited	As at 30 June 2022 Audited	As at 30 June 2023 Unaudited	As at 30 June 2022 Audited
Net asset/(liability) value (S\$)	23,077,152	20,344,980	(14,085,075)	(20,064,022)
Net asset/(liability) value per ordinary share (cents)	9.80	8.64	(5.98)	(8.52)
Number of shares in issue	<u>235,424,614</u>	<u>235,424,614</u>	<u>235,424,614</u>	<u>235,424,614</u>

9. Earnings per share

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

	Group			
	2HY2023 Unaudited	2HY2022 Unaudited	FY2023 Unaudited	FY2022 Audited
Earnings (S\$) (Profit attributable to owners of the parent, net of tax)	2,120,444	2,424,250	2,839,993	2,823,484
(i) Based on weighted average number of ordinary shares in issue (cents)	0.90	1.03	1.21	1.20
Weighted average number of ordinary shares	235,424,614	235,424,614	235,424,614	235,424,614
(ii) On a fully diluted basis in issue (cents)	0.90	1.03	1.21	1.20
Weighted average number of ordinary shares	235,424,614	235,424,614	235,424,614	235,424,614

10. Dividends

The following exempt (one-tier) dividends were declared, and paid by the Group and Company:

	Group and Company	
	Six months period ended	
	30 June 2023	30 June 2022
	S\$	S\$
Paid by the Company to owners of the Company		
Dividends on ordinary shares:		
- Final dividends for the year ended 30 June 2022: S\$0.001 (2021: S\$nil) per ordinary share	235,425	–

11. Property, plant and equipment

During FY2023, the Group acquired assets amounting to S\$2,209,656 (FY2022: S\$3,961,219). However, it was partially offset by the derecognition of right-of-use assets amounting to S\$269,636 (FY2022: S\$368,100) arising from modification of leases, decrease in carrying amounts of property, plant and equipment amounting to S\$34,417 (FY2022: decrease of S\$347,079) due to effects of movement in foreign exchange, disposal of property, plant and equipment with carrying amount of S\$24,855 (FY2022: S\$28,301) and reclassification to asset held for sale of S\$569,011 (FY2022: Nil).

12. Borrowings

Amount repayable within one year or on demand

As at 30 June 2023 (S\$)		As at 30 June 2022 (S\$)	
Secured	Unsecured	Secured	Unsecured
18,298,079	–	23,904,791	–

Amount repayable after one year

As at 30 June 2023 (S\$)		As at 30 June 2022 (S\$)	
Secured	Unsecured	Secured	Unsecured
8,742,111	–	9,175,352	–

Details of collateral

As at 30 June 2023, the total loans and borrowings comprise:

- bank borrowings of S\$22,904,087 (2022: S\$28,976,726), which are secured by corporate guarantee by the Company, legal charges on the Group's freehold and leasehold land and buildings; and
- lease liabilities of S\$4,136,103 (2022: S\$4,103,417), which are secured over the right-of-use assets.

13. Share capital

	Company			
	Number of shares		Amount (S\$)	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Issued and fully paid ordinary share capital with no par value:				
At beginning and at end of the year	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 30 June 2023. As at 30 June 2022, the Company did not hold any subsidiary holdings, treasury shares and convertibles, except for the performance share plan approved and adopted by shareholders at the Company's Extraordinary General Meeting held on 27 October 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 30 June 2022.

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.

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 a 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 financial years ended 30 June 2023 and 2022, no awards were granted by the Company under TEHO PSP 2021.

14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated 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 (the "Group") as at 30 June 2023 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 and full year ended 30 June 2023 and certain explanatory notes have not been audited or reviewed.

The Group's latest audited financial statements for the financial year ended 30 June 2022 were 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.

	As at 30 June 2023	As at 30 Jun 2022
Total number of issued shares (excluding treasury shares)	235,424,614	235,424,614

The Company did not have any treasury shares as at 30 June 2023 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 latest financial statements of the Group are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

8. Review of the performance of the Group

Financial Performance Review

Comparing 2HY2023 to 2HY2022

Revenue

Revenue increased by S\$4.0 million or 13.0% to S\$34.6 million for the financial period from 1 January 2023 to 30 June 2023 ("2HY2023") from S\$30.6 million for the financial period from 1 January 2022 to 30 June 2022 ("2HY2022").

- Marine & Offshore Segment revenue increased by 12.6% or S\$3.8 million in 2HY2023 as compared to 2HY2022. This was mainly due to the increase in revenue contribution from the mooring and rigging business of S\$3.7 million and water treatment business of S\$0.2 million, partially offset by the decrease in revenue contribution from the engineering business.
- Revenue contribution from Property Segment increased by S\$0.2 million in 2HY2023 as compared to 2HY2022. The increase was mainly due to the increase in renovation projects, and this had also contributed to the increase in cost of sales for this segment.

Gross profit

The Group's gross profit of S\$12.3 million in 2HY2023 was a marginal increase of S\$0.5 million or 4.5% compared to 2HY2022. The Group's gross profit margin decreased to 35.6% in 2HY2023 as compared to 38.6% in 2HY2022.

- Marine & Offshore Segment contributed gross profit of S\$11.9 million to the Group in 2HY2023 as compared to S\$11.2 million in 2HY2022. The gross profit margin decreased to 35.2% in 2HY2023 from 37.4% in 2HY2022. The decrease in gross profit margin was mainly due to the lower gross profit margin from the mooring and rigging business driven by competitive pricing.
- Property Segment contributed gross profit of S\$0.4 million to the Group in 2HY2023, of which S\$0.3 million was contributed by the Group's property consultancy business.

Other operating income

Other operating income decreased by S\$1.3 million or 85.7% to S\$0.2 million in 2HY2023 from S\$1.5 million in 2HY2022. The decrease was mainly due to the absence of a global settlement of a legal suit reached in March 2022.

Distribution expenses

Distribution expenses decreased by S\$0.1 million or 15.3% to S\$0.7 million in 2HY2023 from S\$0.8 million in 2HY2022. These were mainly attributable to lower freight costs as a result of easing in supply chain disruptions that were built up during the COVID-19 pandemic.

Administrative expenses

Administrative expenses decreased marginally by S\$0.2 million or 3.2% in 2HY2023. The decrease was mainly due to absences of legal fees of S\$0.3 million in relation to the global settlement of a legal suit reached in March 2022. The decrease in legal fees was partially offset by the increase in manpower costs.

Other operating expenses

Other operating expenses decreased by S\$0.1 million or 6.7% to S\$2.2 million in 2HY2023 from S\$2.3 million in 2HY2022. The decrease was mainly due to lower foreign exchange losses in 2HY2023 arising from the fluctuation in USD against SGD.

Finance income

Finance income, comprising mainly interest income from bank deposits, remained insignificant for 2HY2023.

Finance costs

Finance costs increased by S\$0.1 million or 34.4% in 2HY2023 from S\$0.5 million in 2HY2022. The increase was mainly due to the significant increase in interest rates.

Income tax expense

In 2HY2023, the Group incurred an income tax expense of S\$0.5 million as compared to S\$0.6 million in 2HY2022.

Profit for the year

Combining the profit before tax of S\$3.0 million for the Marine & Offshore Segment and the unallocated head office expenses of S\$0.3 million, the Group's profit before tax was S\$2.7 million in 2HY2023 as compared to a profit before tax of S\$3.0 million in 2HY2022. Overall, the Group reported profit after taxation of S\$2.1 million for 2HY2023 (2HY2022: S\$2.4 million).

Comparing FY2023 to FY2022

Revenue

Revenue increased by S\$13.5 million or 23.7% to S\$70.7 million for FY2023 from S\$57.2 million for FY2022.

- Marine & Offshore Segment revenue in FY2023 increased by S\$7.9 million in FY2023 as compared to FY2022. The increase was mainly attributable to increased revenue contribution from the mooring and rigging business of S\$7.2 million and water treatment business of S\$0.5 million.
- Revenue contribution from Property Segment increased by S\$5.6 million in FY2023 as compared to FY2022. 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\$23.6 million in FY2023 increased by S\$1.0 million or 4.3% from S\$22.6 million in FY2022. The Group's gross profit margin decreased to 33.4% in FY2023 as compared to 39.5% in FY2022.

- Marine & Offshore Segment contributed gross profit of S\$22.6 million to the Group in FY2023 as compared to S\$21.4 million in FY2022. The gross profit margin decreased to 35.4% in FY2023 from 38.4% in FY2022. 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\$1.0 million to the Group in FY2023, of which S\$0.8 million was contributed by the Group's property consultancy business.

Other operating income

Other operating income decreased by S\$1.1 million or 73.2% to S\$0.4 million in FY2023 from S\$1.5 million in FY2022. The decrease was mainly due to the absence of a global settlement of a legal suit reached in March 2022.

Distribution expenses

Distribution expenses remained stable at S\$1.6 million in FY2023 and FY2022 despite the increase in revenue. These were mainly attributable to lower freight costs as a result of easing in supply chain disruptions that were built up during the COVID-19 pandemic.

Administrative expenses

Administrative expenses decreased by S\$0.3 million or 2.4% in FY2023. The decrease was mainly due to absences of legal fees of S\$0.6 million in relation to the global settlement of a legal suit 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\$0.2 million or 3.4% to S\$4.5 million in FY2023 from S\$4.3 million in FY2022. The increase was mainly due to higher depreciation of property, plant and equipment for FY2023.

Finance income

Finance income, comprising mainly interest income from bank deposits, remained insignificant for FY2023.

Finance costs

Finance costs increased by S\$0.3 million or 32.2% to S\$1.2 million in FY2023 from S\$0.9 million in FY2022. The increase was mainly due to the significant increase in interest rates in FY2023.

Income tax expense

In FY2023, the Group incurred an income tax expense of S\$0.6 million as compared to S\$0.8 million in FY2022.

Profit for the year

Combining the profit before tax of S\$4.2 million for the Marine & Offshore Segment, loss before tax of S\$0.3 million for the Property Segment and the unallocated head office expenses of S\$0.5 million, the Group's profit before tax was S\$3.4 million in FY2023 as compared to a profit before tax of S\$3.7 million in FY2022. After accounting for income tax expense of S\$0.6 million in FY2023, the Group's profit for FY2023 was S\$2.8 million (FY2022: S\$2.8 million).

Financial Position Review

Non-current assets

Non-current assets decreased to S\$14.7 million as at 30 June 2023 from S\$15.4 million as at 30 June 2022. The decrease was mainly due to the following:

- Property, plant and equipment decreased by S\$0.5 million due to (i) amortisation of right-of-use assets and depreciation of property, plant and equipment of S\$1.8 million, (ii) derecognition of right-of-use assets amounting to S\$0.3 million, and (iii) reclassification to assets held for sale of S\$0.6 million. The decrease stated above was partially offset by the acquisition of plant and equipment of S\$2.2 million.
- Trade and other receivables decreased by S\$0.2 million due to monthly repayments from the global settlement of a legal suit.

Current assets

Current assets decreased by S\$2.9 million from S\$45.2 million as at 30 June 2022 to S\$42.3 million as at 30 June 2023. The decrease was mainly due to the following:

- Development properties decreased by S\$5.5 million which was due to the sale of a landed residential property located at 16 Lorong Salleh in Singapore; and

- Inventories decreased by S\$2.2 million from S\$25.1 million as at 30 June 2022 to S\$22.9 million as at 30 June 2023. The decrease was mainly due to efforts to optimize inventory levels in the Marine & Offshore Segment's business operations as a result of stabilisation of supply chain.

The decrease stated above was partially offset by the following:

- Assets held for sale increased by S\$0.5 million as at 30 June 2023 following the planned disposal of a leasehold property owned by TEHO Water & Envirotec Pte Ltd. The disposal of the leasehold property was completed on 17 July 2023;
- Trade and other receivables increased by S\$0.7 million, which was in line with the increase in the Marine & Offshore Segment revenue in FY2023; and
- Cash and cash equivalents increased by S\$3.6 million from S\$4.5 million as at 30 June 2022 to S\$8.1 million as at 30 June 2023. Please refer to the "Cash Flows Review" section below for details.

Non-current liabilities

Non-current liabilities decreased by S\$0.3 million to S\$8.9 million as at 30 June 2023 from S\$9.2 million as at 30 June 2022. The decrease was mainly due to the non-current portion of loans and borrowings decreased by S\$0.4 million as a result of repayment of term loans and lease liabilities. 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 in FY2023 over the useful life of the process improvement projects for mooring and rigging business.

Current liabilities

Current liabilities decreased by S\$6.0 million to S\$25.1 million as at 30 June 2023 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\$5.6 million, due mainly 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\$0.3 million;
- Trade and other payables decreased by S\$0.1 million due to slowdown in purchase of goods in June 2023 in order to maintain inventories at the optimum level;
- Contract liabilities decreased by S\$0.3 million; and
- Current tax liabilities decreased by S\$0.2 million due mainly to adjustment for overprovision of taxation for prior periods.

The decrease stated above was partially offset by the increase in deferred grant income of S\$0.2 million.

Shareholders' equity

Shareholders' equity increased by S\$2.8 million to S\$23.1 million as at 30 June 2023 from S\$20.3 million as at 30 June 2022. The increase was mainly due to:

- Net profit recorded for FY2023 amounting to S\$2.8 million; and
- Increase in other reserves of S\$0.2 million.

The increase stated above was partially offset by the dividend declared of S\$0.2 million.

Cash Flows Review

The Group's net cash flows generated from operating activities was S\$12.5 million in FY2023 compared to S\$0.9 million in FY2022. The increase in net cash flows generated from operating activities was mainly due to lower working capital requirements in FY2023. The lower working capital requirements was mainly due to (i) sale of a landed residential property and (ii) lower optimized inventory levels in the Marine & Offshore Segment's business.

The cash flows used in investing activities amounted to S\$0.6 million in FY2023 was mainly due to lower capital expenditure on the acquisition of property, plant and equipment of S\$1.0 million, partially offset by the receipt of deferred grant income of S\$0.4 million.

Net cash flows used in financing activities amounted to S\$8.3 million in FY2023 was mainly due to dividend payment of S\$0.2 million, interest payment of S\$1.2 million, repayment of loans and borrowings of S\$25.4 million, and payment of lease liabilities of S\$0.8 million; partially offset by proceeds from the drawdown of loans and borrowings of S\$19.3 million.

As at 30 June 2023, the Group has cash and cash equivalents of S\$8.1 million as compared to S\$4.5 million as at 30 June 2022.

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.

The Group continues to face macro-economic headwinds, including inflation, escalating costs, and high interest rates. These macro-economic concerns warrant a cautious outlook for the next twelve months. To address these challenges, the Group is committed to optimising its business strategies and operations to ensure resilience and sustainable growth.

11. Dividend information

If a decision regarding dividend has been made:

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

Name of Dividend	:	First and Final Dividend
Dividend Type	:	Cash
Dividend Rate	:	0.1 Singapore cents per share
Tax Rate	:	Exempted from tax (1-tier)

(b) Previous corresponding period

Name of Dividend	:	First and Final Dividend
Dividend Type	:	Cash
Dividend Rate	:	0.1 Singapore cents per share
Tax Rate	:	Exempted from tax (1-tier)

(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.

Refer to paragraph 11(a).

(d) The date the dividend is payable

To be announced later.

(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.

To be announced later.

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

Not applicable.

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

	FY2023 S\$	FY2022 S\$
Ordinary	235,425	235,425
Preference	-	-
Total	235,425	235,425

14. 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 FY2023 were as follows:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transaction during the financial year 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, a Chief Executive Officer and controlling shareholder of the Company, is a director and sole shareholder of Asdev Investments Pte. Ltd.	S\$ 288,000	S\$ –

15. 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.

16. Review of performance of the Group – turnover and earnings

Please refer to Section 8 above for further details.

17. Disclosure of persons occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or CEO or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules in the format below. If there are no such persons, the Company must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lim Siew Choo	69	Sister of Lim See Hoe (Executive Chairman, Chief Executive Officer and substantial shareholder) and Lim Siew Cheng (Executive Director, Chief Operating Officer and substantial shareholder)	General Administration Director since 2004 and is responsible for the day-to-day operations, statutory matters, recruitment and staff welfare of the Group	Not applicable
Soare Siew Lian	64	Sister of Lim See Hoe (Executive Chairman, Chief Executive Officer and substantial shareholder) and Lim Siew Cheng (Executive Director, Chief Operating Officer and substantial shareholder)	CEO of USA Operations since 2008 and is responsible for marketing and securing new customers in USA for the Group	Not applicable
Tan Wee Lee	44	Brother-in-law of Lim See Hoe (Executive Chairman, Chief Executive Officer and substantial shareholder)	Senior Supply Chain and IT Manager. He was redesignated to the position since 1 July 2021 and is responsible for supply and production management of goods and IT functions at TEHO Ropes & Supplies Pte Ltd.	Not applicable

Lim Siew Choo is presently a substantial shareholder of the Company.

18. Disclosure pursuant to Rule 706A of the Catalist Rules

There were no incorporation of entities, acquisition or sale of shares in any of the Group's subsidiaries or associated companies during the financial year ended 30 June 2023.

BY ORDER OF THE BOARD

Lim See Hoe

Executive Chairman and Chief Executive Officer

25 August 2023