



ZICOM GROUP LIMITED

Appendix 4E

ASX Preliminary Final Report

30 June 2022

Name of entity: **ZICOM GROUP LIMITED**

ABN: **62 009 816 871**

FOR THE YEAR ENDED 30 JUNE 2022

1. **Financial reporting period**

The reporting period is the full year ended 30 June 2022.

The previous corresponding period is the full year ended 30 June 2021.

2. **Results for announcement to the market**

Full year ended	2022	2021	% Change
	\$'000	\$'000	
Revenue from ordinary activities	93,757	93,393	(0.39%)
Net loss from ordinary activities after tax attributable to members	(8,495)	(1,125)	655.11%
Net loss for the year attributable to members	(8,495)	(1,125)	655.11%

3. **Dividends**

	2022	2021	% Change
Interim dividend (unfranked) per security	–	–	–
Final dividend (unfranked) per security	–	–	–

4. **Net tangible assets per security**

	2022	2021	% Change
Net tangible assets per security (Singapore cents)	20.38	23.94	(14.87%)

The calculation of net tangible assets per security includes contract assets and lease liabilities but excludes right-of-use intangible assets.

5. **Entities over which control has been gained/lost**

There were no changes to controlled entities during the year ended 30 June 2022.

6. **Dividend reinvestment plan**

Not applicable.

7. **Details of associates or joint ventures**

Please refer to Note 12.

Review of Operations

Results

The Group's consolidated revenue for the full year was S\$93.76m as compared with S\$93.39m in the previous year, an increase of 0.39%. The Group's full year net consolidated loss after tax attributable to members to 30 June 2022 is S\$8.50m as compared with net consolidated loss of S\$1.13m in the previous year, an increase of 655.11%.

Loss per share for the year was Singapore 3.94 cents compared to Singapore 0.52 cents in the previous year, an increase of Singapore 3.42 cents per share. Net tangible assets per share decreased from Singapore 23.94 cents to Singapore 20.38 cents.

During the year, multiple fold increases in ocean freight compounded by global inflation that has, in recent months, been accelerated by the energy crisis arising from the Ukraine war, have negated our profit margins. As non-cash expenses have made up the main part of the losses incurred, impact against the Group's cash flows or operations is not significant.

The adverse impact of the Covid pandemic first felt globally at the beginning of early 2020 had continued unabated in 2021. Hopes of easing towards 2022 were also dashed due to an emergence of a more transmissible strain, the Omicron, that continues to mutate and pervade humanity causing sporadic spikes. The strain, is however, weaker and symptoms are akin to a common flu. This has emboldened countries to open up for travels and people's movement. Complete return to normalcy is expected to be some time away, and the serious challenges faced in our operations, are expected to prevail for some time to come. Cautiousness in business decisions will continue to subsist.

Being generally in capital goods, the Group encountered a deeper impact than anticipated. Innovative changes will be necessary for future growth.

Gearing Ratio

The Group's cash and bank balances as at 30 June 2022 remained healthy at S\$20.38m (30 June 2021: S\$20.33m). The Group's gearing ratio which has been arrived at by dividing interest-bearing liabilities less cash and cash balances over capital has increased from 11.10% as at 30 June 2021 to 29.57% as at 30 June 2022. The gearing ratio for 30 June 2021 of 11.10% has been restated to include monies placed with the bank as part of banking facilities requirements. The current measurement is more representative of the Group's financial leverage.

The Group's gearing has increased partly to strengthen its working capital and partly to account for renewal of leases, whose rental payments for the entire leases, in accordance to present IFRS, are required to be capitalised as liabilities.

Both the gearing ratio and cash and bank balances are non-IFRS measures.

Capital Management

The Group will continue to carry out in its share buy-back exercise as the Board is of the opinion that the current share price does not represent its intrinsic value.

Prospects

As the pandemic situation gradually eases into an endemic, we are hopeful of better prospects ahead.

In recent weeks, the Group has successfully secured orders on gas processing plants amounting to S\$102.50m. Had circumstances been more conducive these projects would have been awarded earlier. Going forward, we are confident of more orders to come.

The marine sector, for both green energy applications and deck machinery, shows signs of green shoots. The Group would, from 1 October 2022, consolidate the entire deck machinery business with the green energy segment under one management team. This will strengthen our marketing development efforts as the customer base is almost identical.

Demand for precision and automation has been strengthening as the pandemic eases. Although supply chain issues and labour crunch are propelling the acceleration in demand in automation, these same factors equally confront us in our operations.

The construction sector likewise is showing recovery as pent-up construction projects are being rolled out. Political transition in the countries in which we operate is expected to slow down implementation of some of the development projects. Supply chain issues are expected to impact on our margins and delivery of products.

Prospects ahead are generally strong and improving. Serious challenges, however, remain. New pathways are required to chart future growth.

A comparison of the results of the current year with the previous year are as follows: -

Key Financials	Change (%)	12 months ended 30 Jun 22 (S\$ million)	12 months ended 30 Jun 21 (S\$ million)
Total consolidated revenue	+0.39	93.76	93.39
Net loss after tax attributable to equity holders of the Parent	-655.11	(8.50)	(1.13)

Segmental Revenue

The following is an analysis of the segmental revenue: -

Revenue by Business Segments	Change (%)	12 months ended 30 Jun 22 (S\$ million)	12 months ended 30 Jun 21 (S\$ million)
Green Energy, Gas & Marine Equipment	- 11.17	33.97	38.24
Construction Equipment	+ 10.63	33.51	30.29
Precision Engineering & Technologies	+ 12.33	25.70	22.88
Industrial & Mobile Hydraulics	n/a	**	1.92

** Combined with Construction Equipment segment with effect from 1 July 2021

Green Energy, Gas & Marine Equipment

Construction costs of vessels have increased significantly. This, compounded by tight shipbuilding capacity, have caused ship building orders for ocean going vessels to slow down although demand remains strong to meet IMO regulations and replacement of outdated vessels. As supply issues and surging global inflation stabilise and improve, these are expected to help in capacity to escalate demand.

At this time, demand of equipment by coastal vessels appears to be resurging.

The energy crisis has accelerated investment decisions on gas processing systems and equipment. The Group has recently secured significant orders and expect to increase revenue in the next 24 months.

Construction Equipment

Demand for construction equipment that include foundation equipment and concrete mixers has been strong but margin has been eroded by high cost in freight and materials.

During the year, customers' supply of trucks faced delay due to supply chain issues. Although the situation has shown signs of easing, it is expected to prolong for some time. This slows down our revenue recognition.

Construction activities, are expected to strengthen, as the situation returns to normalcy, as pent-up demand has been built up everywhere. This would drive increase in demand of foundation equipment and concrete mixers. The industry, however, is expected to continue to face supply chain issues and surging inflation for some time to come.

Precision Engineering & Technologies

Revenue from precision engineering and technologies segment increased by 12.33% in the full year as compared with the previous year. We expect revenue would continue to grow as the easing of the pandemic accelerates business decision. Global supply issues and shortage of skilled workers are expected to drive demand for automation and increase our revenue. These same issues would similarly affect us and have to be managed.

Financial Position

The Group's financial position remains satisfactory: -

Classification	Increase/(Decrease) S\$ million	As at 30 Jun 22 S\$ million	As at 30 Jun 21 S\$ million
Net Assets	(8.49)	57.30	65.79
Net Working Capital	(4.13)	19.74	23.87
Cash in Hand and at Bank	0.05	20.38	20.33

Return per Share

The Group's earnings and net tangible assets per share are as follows: -

Classification	Increase Singapore Cents	2022 Singapore Cents	2021 Singapore Cents
Loss per share	3.42	(3.94)	(0.52)

The weighted average shares used to compute basic earnings per share are 215,746,247 for this year and 217,140,780 for the previous year.

Classification	Decrease Singapore Cents	As at 30 Jun 22 Singapore Cents	As at 30 Jun 21 Singapore Cents
Net tangible assets per share	3.56	20.38	23.94

The calculation of net tangible assets per share includes contract assets and lease liabilities but excludes right-of-use intangible assets.

Capital Expenditure

For the year ending 30 June 2023, the Group does not plan to invest in any major capital equipment.

Confirmed Orders

We have a total of S\$74.1m (30 June 2021: S\$82.9m) outstanding confirmed orders in hand as at 30 June 2022. A breakdown of these outstanding confirmed orders are as follows: -

	S\$ m
Green Energy, Gas & Marine Equipment	35.3
Construction Equipment	17.1
Precision Engineering & Technologies	<u>21.7</u>
Total	<u>74.1</u>

Of the above, S\$73.4m are scheduled for delivery in the financial year 2023 and S\$0.7m are scheduled to be delivered in the financial year 2024.

The Group has recently announced new orders in gas processing equipment amounting to S\$102.50m to be delivered over the next 24 months. We are hopeful of more orders to come.

Dividends & Share Buy-Back

The Group suffered a loss in this financial year. Although the losses are not expected to impair the Group's cash flow or operations, the results for the year just ended do not justify any payment of dividends. Given the prospects ahead, we are hopeful of profits and to consider dividend payment in due course.

The Board has decided to continue the Group's share buy-back exercise as part of the Group's capital management exercise.

Signed in accordance with a resolution of the Board of Directors.



GL Sim
Chairman

Preliminary Consolidated Statement of Comprehensive Income

for the year ended 30 June 2022

	Note	2022 S\$'000	2021 S\$'000
Revenue from contracts with customers	3	88,970	89,462
Rental income		3,357	1,521
Revenue		92,327	90,983
Other revenue	4	1,430	2,410
Total consolidated revenue		93,757	93,393
Cost of materials		(52,353)	(48,458)
Employee, contract labour and related costs		(28,515)	(24,684)
Depreciation and amortisation		(5,789)	(6,436)
Property related expenses		(225)	(167)
Impairment of goodwill	6	(664)	-
Other operating expenses	5	(13,857)	(13,078)
Finance costs		(926)	(1,131)
Share of results of associate	12	(480)	(146)
Loss before taxation		(9,052)	(707)
Tax benefit/(expense)	7	490	(465)
Loss for the year		(8,562)	(1,172)
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax):			
Revaluation of land and buildings		833	2,041
Items that may be subsequently reclassified to profit or loss (net of tax):			
Foreign currency translation on consolidation		(511)	(398)
Other comprehensive income for the year, net of tax		322	1,643
Total comprehensive (loss)/income for the year		(8,240)	471
Loss attributable to:			
Equity holders of the Parent		(8,495)	(1,125)
Non-controlling interests		(67)	(47)
Loss for the year		(8,562)	(1,172)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Parent		(8,173)	518
Non-controlling interest		(67)	(47)
Total comprehensive (loss)/income for the year		(8,240)	471
Earnings per share (cents)			
Basic loss per share	8	(3.94)	(0.52)
Diluted loss per share	8	(3.94)	(0.52)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Preliminary Consolidated Balance Sheet

as at 30 June 2022

	Note	2022 S\$'000	2021 S\$'000
Non-current assets			
Property, plant and equipment		33,932	34,896
Right-of-use assets		8,261	8,507
Intangible assets		5,879	6,906
Deferred tax assets		2,243	1,921
Investment in associate	12	2,711	3,191
		53,026	55,421
Current assets			
Cash and bank balances	10	14,087	17,246
Fixed deposits	11	6,291	3,080
Inventories		28,503	24,082
Trade and other receivables		15,201	19,692
Contract assets		11,352	1,630
Contract costs		2,613	4,161
Prepayments		433	319
Tax recoverable		146	137
		78,626	70,347
TOTAL ASSETS		131,652	125,768
Current liabilities			
Trade and other payables		28,681	17,652
Contract liabilities		3,300	8,346
Lease liabilities		1,571	2,336
Other interest-bearing liabilities	13	24,028	15,683
Provisions		1,197	2,160
Unearned income		1	231
Provision for taxation		113	73
		58,891	46,481
NET CURRENT ASSETS		19,735	23,866
Non-current liabilities			
Lease liabilities		6,578	5,744
Other interest-bearing liabilities	13	5,118	3,850
Deferred tax liabilities		3,418	3,565
Provisions		352	336
		15,466	13,495
TOTAL LIABILITIES		74,357	59,976
NET ASSETS		57,295	65,792
Equity attributable to equity holders of the Parent			
Share capital	14	20,836	21,100
Reserves		11,989	12,333
Retained earnings		24,379	32,201
		57,204	65,634
Non-controlling interests		91	158
TOTAL EQUITY		57,295	65,792
TOTAL LIABILITIES AND EQUITY		131,652	125,768

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Preliminary Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

Note	Attributable to equity holders of the Parent							Non-controlling interests	Total equity
	Share capital	Share capital – exercise of share options	Asset revaluation surplus	Foreign currency translation reserve	Share-based payments reserve	Retained earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.7.2020	20,628	472	12,472	(1,285)	73	32,718	65,078	205	65,283
Loss for the year	–	–	–	–	–	(1,125)	(1,125)	(47)	(1,172)
Other comprehensive income									
Revaluation of land and buildings	–	–	2,041	–	–	–	2,041	–	2,041
Foreign currency translation	–	–	–	(398)	–	–	(398)	–	(398)
Total comprehensive income for the year	–	–	2,041	(398)	–	(1,125)	518	(47)	471
Share-based payments	–	–	–	–	38	–	38	–	38
Expired employee share options	–	–	–	–	(26)	26	–	–	–
Transfer of depreciation for buildings	–	–	(582)	–	–	582	–	–	–
Balance at 30.06.2021	20,628	472	13,931	(1,683)	85	32,201	65,634	158	65,792
Loss for the year	–	–	–	–	–	(8,495)	(8,495)	(67)	(8,562)
Other comprehensive income									
Revaluation of land and buildings	–	–	833	–	–	–	833	–	833
Foreign currency translation	–	–	–	(511)	–	–	(511)	–	(511)
Total comprehensive loss for the year	–	–	833	(511)	–	(8,495)	(8,173)	(67)	(8,240)
On-market share buy-back	14(b) (264)	–	–	–	–	–	(264)	–	(264)
Share-based payments	–	–	–	–	7	–	7	–	7
Expired employee share options	–	–	–	–	(6)	6	–	–	–
Transfer of depreciation for buildings	–	–	(667)	–	–	667	–	–	–
Balance at 30.06.2022	20,364	472	14,097	(2,194)	86	24,379	57,204	91	57,295

Preliminary Consolidated Statement of Cash Flows

for the year ended 30 June 2022

(In Singapore dollars)

	Note	2022 S\$'000	2021 S\$'000
Cash flows from operating activities:			
Operating loss before taxation		(9,052)	(707)
Adjustments for:			
Depreciation of property, plant and equipment		3,298	3,622
Depreciation of right-of-use assets		2,160	2,471
Amortisation of intangible assets		331	343
Impairment of goodwill		664	–
Bad debts written off	5	4	–
Write-back of impairment and expected credit losses, net of provision	5	(30)	(85)
Allowance for inventory obsolescence, net of reversal	5	638	209
Inventories written off	5	98	294
Finance costs		926	1,131
Interest income	4	(10)	(9)
Property, plant and equipment written off	5	14	1
Intangible assets written off	5	–	34
Gain on disposal of property, plant and equipment	4	(13)	(11)
Gain on derecognition of right-of-use assets	4	–	(1)
Trade and other payables written back	4	–	(1)
Rental waiver	4	–	(67)
Provisions made, net of write-back		389	1,125
Share-based payments		7	38
Share of results of associate	12	480	146
Unrealised exchange differences		148	(320)
Operating profit before reinvestment in working capital		52	8,213
(Increase)/ decrease in stocks and work-in-progress		(5,227)	1,910
(Increase)/ decrease in trade receivables, contract assets and prepayment		(3,771)	23,769
Increase/ (decrease) in trade and other payables, contract liabilities		4,248	(4,554)
Cash used in/ generated from operations		(4,698)	29,338
Interest received		10	9
Interest paid		(754)	(1,649)
Income taxes paid		(91)	(270)
Net cash used in/ generated from operating activities		(5,533)	27,428

Preliminary Consolidated Statement of Cash Flows (Cont'd)

	Note	2022 S\$'000	2021 S\$'000
Cash flows from investing activities:			
Purchase of property, plant and equipment		(841)	(1,445)
Proceeds from disposal of property, plant and equipment		15	12
Purchase of computer software		(63)	(53)
Increase in patented technology		(10)	(11)
		<hr/>	<hr/>
Net cash used in investing activities		(899)	(1,497)
		<hr/>	<hr/>
Cash flows from financing activities:			
Increase/(decrease) in bills payable		9,576	(16,088)
Proceeds from bank borrowings		3,000	3,000
Repayments of bank borrowings		(2,390)	(1,396)
Repayment of loan to a related party		–	(607)
Proceeds from asset financing		–	1,021
Repayment of principal portion of lease liabilities		(2,715)	(3,031)
Increase in fixed deposits pledged		(3,211)	(3,080)
On-market share buy-back		(264)	–
		<hr/>	<hr/>
Net cash generated from/ (used in) financing activities		3,996	(20,181)
		<hr/>	<hr/>
Net (decrease)/ increase in cash and cash equivalents		(2,436)	5,750
Net foreign exchange differences		(127)	41
Cash and cash equivalents at beginning of year		16,025	10,234
		<hr/>	<hr/>
Cash and cash equivalents at end of year	10	13,462	16,025
		<hr/>	<hr/>

Note 1 Summary of significant accounting policies

This preliminary final report has been prepared in order to comply with ASX *listing rules*.

This report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this report be read in conjunction with the annual report for the year ended 30 June 2021, the interim financial report for the half year ended 31 December 2021 and considered together with any public announcements made by Zicom Group Limited during the year ended 30 June 2022 in accordance with the continuous disclosure obligations of the ASX *listing rules*.

The accounting policies applied by the consolidated entity are consistent with those applied by the consolidated entity in the annual financial report for the year ended 30 June 2021.

Note 2 Segment information

Identification of reportable segments

The Group has identified its operating segments based on internal reports that are reviewed and used by the chief operating decision maker and the executive management team in assessing performance and in determining the allocation of resources. The operating segments are identified based on products and services as follows:

- Green Energy, Gas & Marine Equipment – Design and supply of LNG propulsion systems, deck machinery, gas metering stations, compressor stations, gas processing plants and related equipment, parts and services.
- Construction Equipment – manufacture and supply of concrete mixers and foundation equipment, including equipment rental, parts and related services. This segment also includes the supply of hydraulic drive systems, parts and services with effect from 1 July 2021.
- Precision Engineering & Technologies – manufacture and supply of precision and automation equipment including flip chip bonders, supply of medtech equipment, medical consumables and engineering services.

Intersegment sales

Intersegment sales are recognised based on internally set transfer price at arm's length basis.

Unallocated revenue and expenses

Unallocated revenue comprise mainly non-segmental revenue. Unallocated expenses comprise mainly non-segmental expenses such as head office expenses.

Note 2 Segment information (cont'd)

	Green Energy, Gas & Marine Equipment S\$'000	Construction Equipment S\$'000	Precision Engineering & Technologies S\$'000	Consolidated S\$'000
For year ended 30 June 2022				
Revenue				
Revenue from contracts with customers	33,615	29,854	25,501	88,970
Rental income	–	3,357	–	3,357
Other revenue	356	298	200	854
Intersegment sales	–	–	–	–
Total segment revenue	33,971	33,509	25,701	93,181
Intersegment elimination				–
Unallocated revenue				566
Interest income				10
Total consolidated revenue				93,757
Results				
Segment results	(4,859)	(255)	(615)	(5,729)
Unallocated revenue				566
Unallocated expenses				(2,493)
Share of results of associate			(480)	(480)
Loss before tax and finance costs				(8,136)
Finance costs				(926)
Interest income				10
Loss before taxation				(9,052)
Tax benefit				490
Loss after taxation				(8,562)

	Green Energy, Gas & Marine Equipment S\$'000	Construction Equipment S\$'000	Precision Engineering & Technologies S\$'000	Industrial & Mobile Hydraulics S\$'000	Consolidated S\$'000
For year ended 30 June 2021					
Revenue					
Revenue from contracts with customers	37,868	27,937	21,825	1,832	89,462
Rental income	–	1,521	–	–	1,521
Other revenue	374	828	1,007	8	2,217
Intersegment sales	–	3	51	75	129
Total segment revenue	38,242	30,289	22,883	1,915	93,329
Intersegment elimination					(129)
Unallocated revenue					184
Interest income					9
Total consolidated revenue					93,393
Results					
Segment results	3,264	(653)	(1,045)	990	2,556
Unallocated revenue					184
Unallocated expenses					(2,179)
Share of results of associate			(146)		(146)
Profit before tax and finance costs					415
Finance costs					(1,131)
Interest income					9
Loss before taxation					(707)
Tax expense					(465)
Loss after taxation					(1,172)

Note 3 Revenue from contracts with customers

	Consolidated	
	2022	2021
	S\$'000	S\$'000
<i>Transferred at a point in time</i>		
Sale of goods	48,021	41,249
Revenue recognised on projects	658	974
<i>Transferred over time</i>		
Rendering of services	5,621	4,171
Revenue recognised on projects	34,670	43,068
	<u>88,970</u>	<u>89,462</u>

Note 4 Other operating income

	Consolidated	
	2022	2021
	S\$'000	S\$'000
Interest income	10	9
Gain on disposal of property, plant and equipment	13	11
Gain on derecognition of right-of-use assets	-	1
Trade and other payables written back	-	1
Recovery of monies misappropriated	508	-
Services rendered	35	216
Sales of scrap	88	92
Government grants	647	1,996
Rental waiver	-	67
Other revenue	129	17
	<u>1,430</u>	<u>2,410</u>

Note 5 Other operating expenses included the following

	Consolidated	
	2022	2021
	\$'000	\$'000
Allowance for inventory obsolescence, net of reversal	638	209
Write-back of impairment and expected credit losses, net of provision	(30)	(85)
Bank charges	418	1,304
Bad debts written off	4	-
Foreign exchange loss/(gain)	158	(303)
Provision for product warranties made, net	346	1,034
Property, plant and equipment written off	14	1
Warranty expense charged directly to profit or loss	4	-
Inventories written off	98	294
Intangible assets written off	-	34
Sales commission	2,025	787
Sea Freight	2,858	4,435
Travelling expenses	184	98
Utility charges	793	695

Note 6 Impairment

As outlined in the 30 June 2021 financial report, goodwill has been allocated to Sys-Mac Automation Engineering Pte. Ltd. ("Sys-Mac"), Cescio Australia Limited ("CAL") and Orion Systems Integration Pte. Ltd. ("Orion") cash-generating units (CGUs).

Management concluded that goodwill for the Sys-Mac and CAL CGUs were not impaired as at 30 June 2022.

As at 30 June 2022, the Orion CGU had a goodwill balance of S\$664,000 pre impairment (30 June 2021: S\$664,000). Demand for the semiconductor equipment has remained subdued and future sales are dependent upon factors beyond the control of the Company (mainly COVID-19 uncertainties and the US-China trade disputes). These uncertainties impacted the timing of when the next machine will be sold, as such, goodwill allocated to Orion CGU has been impaired.

Considering the calculated value in use for CAL CGUs is equal to its carrying value, any unfavourable change in any of the key assumptions within the recoverable amount (including future sales and their timing, margin earned, and other operating costs) may result in an impairment adjustment. For Sys-Mac CGU, management believe that no reasonably possible change in any of the key assumptions would cause its carrying value to exceed its recoverable amount.

Note 7 Taxation

The major components of income tax expense for the years ended 30 June are:

	Consolidated	
	2022	2021
	S\$'000	S\$'000
<i>Current income tax</i>		
Current income tax charge	(73)	(922)
Loss transferred under Group Relief Scheme	–	880
Adjustments in respect of previous years	(49)	(40)
<i>Deferred income tax</i>		
Relating to the origination and reversal of temporary differences	471	(607)
Adjustments in respect of previous years	141	224
Income tax benefit/(expense)	<u>490</u>	<u>(465)</u>
Net surplus on revaluation of buildings	<u>(170)</u>	<u>(470)</u>
Deferred tax charged to other comprehensive income	<u>(170)</u>	<u>(470)</u>

Note 8 Earnings per share

Basic earnings per share is calculated by dividing the Group's profit or loss attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

For the purpose of calculating diluted earnings per share, profit or loss attributable to equity holders of the Parent and the weighted average number of ordinary shares outstanding are adjusted for effects of all dilutive potential shares.

	Consolidated	
	2022 S\$'000	2021 S\$'000
Net loss attributable to equity holders of the Parent	(8,495)	(1,125)
	Parent Entity	
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	215,746	217,141
	Singapore cents	
Basic and diluted loss per share	(3.94)	(0.52)

There were 5,575,000 (2021: 6,000,000) share options excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are antidilutive for the current period presented.

Note 9 Net tangible assets per security

	2022	2021
Net tangible assets per ordinary share (Singapore cents)	20.38	23.94

Note 10 Cash and cash equivalents

	2022 S\$'000	2021 S\$'000
Cash at bank and in hand	14,071	17,230
Demand deposits	16	16
Cash and bank balances	14,087	17,246
For the purpose of the cash flow statement, cash and cash equivalents comprised the following:		
Cash and demand deposits	14,087	17,246
Bank overdrafts	(625)	(1,221)
Cash and cash equivalents	13,462	16,025

Note 11 Fixed Deposits

These are fixed deposits placed with the bank to secure banking facilities. Fixed deposit amounting to S\$6,263,000 (2020: S\$3,053,000) earned interest at floating rate at 0.1% (2021: 0.1%) per annum, the remaining fixed deposit do not earn interest.

Note 12 Investment in associate

Movement in the carrying amount of the Group's investment in associate:

	Consolidated	
Emage Vision Pte Ltd ("EV")	2022	2021
Shareholdings held: 16.29% (30 Jun 21: 16.29%)	S\$'000	S\$'000
Principal place of business: Singapore		
At beginning of year	3,191	3,337
Share of results after income tax	(480)	(146)
At end of year	2,711	3,191

Although the Group holds less than 20% of equity interest in EV, the Group has the ability to exercise significant influence through its shareholdings and participation on EV Board of Directors.

Note 13 Other interest-bearing liabilities

	Consolidated	
	2022	2021
	S\$'000	S\$'000
<i>Current</i>		
Bank overdrafts (Note 10)	625	1,221
Bills payable	9,576	-
Revolving term loans	10,250	11,350
Term loans	1,732	1,290
Loans from a related party	1,845	1,822
	24,028	15,683
<i>Non-Current</i>		
Term loans	5,118	3,850

Note 14 Share capital

a) Details

	Parent Entity		Consolidated	
	2022	2021	2022	2021
	No. of shares (Thousands)		S\$'000	S\$'000
Ordinary fully paid shares	<u>214,560</u>	<u>217,141</u>	<u>20,836</u>	<u>21,100</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

b) Movement in ordinary share capital

	Company	Group
	Number of ordinary shares (Thousands)	S\$'000
At beginning of year	217,141	21,100
On-market share buy-back	<u>(2,581)</u>	<u>(264)</u>
At end of year	<u>214,560</u>	<u>20,836</u>

In July 2021, the board of directors resolved to carry out an on-market share buy-back within the 10/12 limit provided for under Section 257A of the *Corporations Act 2001* to enhance shareholders value as part of capital management. The share buy-back has commenced in September 2021 and up till 30 June 2022, a total of 2,580,772 fully paid ordinary shares have been bought back and cancelled. Total cash consideration paid amounted to S\$264,160.

This Report is based on accounts to which one of the following applies.

- | | |
|--|--|
| <input type="checkbox"/> The accounts have been audited | <input type="checkbox"/> The accounts have been subject to review |
| <input checked="" type="checkbox"/> The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> The accounts have not yet been audited or reviewed. |



Signed
(Director/ Company Secretary)

Date: 31 August 2022