ZICOM GROUP LIMITED

Appendix 4E

ASX Preliminary Final Report

30 June 2023

Name of entity: **ZICOM GROUP LIMITED**

ABN: **62 009 816 871**

FOR THE YEAR ENDED 30 JUNE 2023

1. **Financial reporting period**
   The reporting period is the full year ended 30 June 2023.
   The previous corresponding period is the full year ended 30 June 2022.

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

Full year ended	**2023** $'000	**2022** $'000	**% Change**
Revenue from ordinary activities	95,227	93,757	1.57%
Net loss from ordinary activities after tax attributable to members	(8,540)	(8,495)	0.53%
Net loss for the year attributable to members	(8,540)	(8,495)	0.53%

3. **Dividends**

Dividends	**2023**	**2022**	**% Change**
Interim dividend (unfranked) per security	–	–	–
Final dividend (unfranked) per security	–	–	–

4. **Net tangible assets per security**

Net tangible assets per security	**2023**	**2022**	**% Change**
Net tangible assets per security (Singapore cents)	16.02	20.60	(22.23%)

   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 2023.

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$95.23m as compared with S$93.76m in the previous year, an increase of 1.57%. The Group's full year net consolidated loss after tax attributable to members to 30 June 2023 is S$8.54m as compared with net consolidated loss of S$8.50m in the previous year, an increase of 0.53%.

Loss per share for the year was Singapore 3.98 cents compared to Singapore 3.94 cents in the previous year, an increase of Singapore 0.04 cents per share. Net tangible assets per share decreased from Singapore 20.60 cents to Singapore 16.02 cents.

The Group encountered an unprecedented situation in the year just ended. We have secured record orders in hand. However, the execution of projects has been adversely affected as our customers experienced an unforeseen reduced availability in foreign exchange, in particular US$, primarily caused by rapidly escalating interest rates. The Group decided to exercise prudence although we believe the risks of default were minimal. This decision has affected timing in revenue recognition. We are, however, pleased that the situation is improving. Execution of these projects has recently commenced.

The losses in the year just ended have also been severely impacted by problems in the global supply chain and cost escalation caused by the Ukraine war and geopolitical tensions. The full impact of these unprecedented disruptions could not have been foreseen in earlier years. Cost savings from ocean freight reductions post pandemic have been completely negated by these adverse factors.

The Group has factored in these adverse factors in its current orders in hand, pricing within its competitiveness. Subject to the situation not deteriorating further from its present bad state, we should expect better performance.

The Group has, in recent years, undertaken several restructuring initiatives. As a result of these efforts, the Group is positioned to come out of its worst years.

In 2018, the Group successfully demerged its entire portfolio of medical technologies into a new independent vehicle ZIG Ventures Limited. The objectives of enabling focus management and relieving the Group of having to absorb further gestation costs of these investments have been achieved. ZIG Ventures Limited seeks its own funding.

Unfortunately, the success of the demerger was negated by the outbreak of the Covid pandemic in the following year. The pandemic persisted until 2021 with lingering collateral impact persisting, albeit having eased, until now. The break-out of the Russia-Ukraine War in early 2022 compounded by the deteriorating global geopolitical tension have worsened the global supply chain and inflation leading to rapid escalation in interest rates. These have aggravated the challenges businesses face.

The Group's deck machinery had always been pivoted on the offshore industry, due to its higher value-add. This segment of the industry has, however, been suffering one of its longest-drawn slumps in history. In a transformation of its business, the Group forayed into clean energy developing LNG propulsion systems. It succeeded in its first orders for the supply of systems for 6 ocean tankers of 110,000 DWT for a global leading tanker owner after 3 years of development. This first supply has been highly successful. Four of these tankers have been successfully completed and are sailing and the remaining two are expected to be completed at the end of this calendar year. This track record has placed us in a strong position to secure further orders. Our supply of deck machinery has been expanded to cover bulk carriers in addition to offshore vessels.

The Group's construction sector has been impacted by financial irregularities discovered in our Thai subsidiary in 2020. The immediate suspension and resultant dismissal of the two key executive directors who had been managing the business for over 30 years had caused disruption to our business and management continuity. Time has been expended to install new management. This has been successfully achieved and both production and supply chain have been fully restored to efficiency and market share is gradually regained. Closer collaboration among the Group's companies in China, Thailand and Australia have improved the supply chain and increased productivity leading to improved cost controls and profitability. Demand for concrete mixers remains buoyant.

Following the recent successful general elections in the Philippines, Malaysia and Thailand, markets for our foundation equipment, development projects have gained increased traction. This will strengthen demand for our foundation equipment and services. The construction equipment sector in Australia and Southeast Asia is expected to continue to grow notwithstanding the global geopolitical tensions, driven by the resilience of the Asia-Pacific countries' economies.

The precision engineering sector experiences increased demand post pandemic. As part of its policy of maximising returns on efforts, the Group now places emphasis on the nature of automation projects being undertaken to minimise gaps in requirements causing cost overruns and disputes. We will seek increased compensation for projects with a high element of "research and development" that inherently are of higher risks and contingency or we will avoid them. We expect this tighter emphasis will enable the Group to undertake projects with improved risk controls, to improve profitability.

Gearing Ratio
The Group's cash and bank balances as at 30 June 2023 remained healthy at S$12.67m (30 June 2022: S$20.38m). 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 29.34% as at 30 June 2022 to 50.41% as at 30 June 2023.

The Group's gearing ratio has taken into account recent renewal of leases, whose rental payments for the entire leases, are capitalised as liabilities in accordance with IFRS. Both gearing ratio and cash and bank balances are non-IFRS measures.

Prospects
The Group is confident that its worst years are over. Confirmed orders in hand amounted to S$175.44m as at 30 June 2023. As the global currency alignment, greatly distorted by rapid and escalating spike in US$, stabilises, we are hopeful that implementation of projects in hand will be accelerated. With a strong proven track record, we are better positioned for further orders in the pipeline.

The Group's main markets are focused on Asia, Asean and Australasia. Notwithstanding the global geopolitical tensions, the continuing strong resilience in the Asia-Pacific economies will continue to drive trade and economic growth in this region. Asean has now become the largest trading partner with China surpassing the USA and EU.

Indeed, a new beginning has begun.

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

Key Financials	Change (%)	Year ended 30 June 23 (S$ million)	Year ended 30 June 22 (S$ million)
Total consolidated revenue	+1.57	95.23	93.76
Net loss after tax attributable to equity holders of the Parent	+0.53	(8.54)	(8.50)

Segmental Revenue

The following is an analysis of the segmental revenue: -

Revenue by Business Segments	Change (%)	Year ended 30 June 23 (S$ million)	Year ended 30 June 22 (S$ million)
Green Energy, Gas & Marine Equipment	- 5.80	32.00	33.97
Construction Equipment	+ 7.01	35.86	33.51
Precision Engineering & Technologies	+ 5.10	27.01	25.70

Green Energy, Gas & Marine Equipment
The green energy, gas and marine equipment suffered a reduction in revenue caused by delayed execution of projects from customers affected by reduced availability of foreign exchange. The situation is improving, and we expect acceleration in project execution. Success in our initial projects for LNG propulsion systems has achieved a strong track record for the Group positioning us for further orders. Integrated marketing of deck machinery is expected to generate revitalised demand in this segment.

Construction Equipment
The Group's internal supply chain has fully recovered following the setback suffered by our Thai subsidiary company. Demand for mixers in Australia continues to grow strongly and in Asean countries propelled by acceleration of infrastructure projects and housing demand following the general elections in various countries in the region. We believe that post pandemic construction activities will remain buoyant for several years to come partly to catch up with the gap of the pandemic years as well as to fulfill concurrent demand generated by ongoing economic expansion.

Foundation equipment in Southeast Asia, in particular Thailand, Malaysia, Philippines, and Indonesia, except for Singapore, is strongly affected by prevailing political situation that dictates timing of developments. With general elections in various countries now over and new governments in place, acceleration of development projects is expected.

Precision Engineering & Technologies
The increase in revenue in precision engineering and technologies reflects a pent-up demand post pandemic. Automation is expected to gain new dimensions to address changes in human resource management and work processes, increased mechanicalisation and digital processes, internet of things and artificial intelligence applications that have transformed businesses globally. The Group's focus is to strengthen its talent pool and manpower to scale these value chains.

Financial Position
The Group's financial position remains satisfactory: -

Classification	Decrease S$ million	As at 30 June 23 S$ million	As at 30 June 22 S$ million
Net Assets	(10.04)	47.71	57.75
Net Working Capital	(9.16)	10.58	19.74
Cash in Hand and at Bank	(7.71)	12.67	20.38

Return per Share

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

Classification	Increase Singapore Cents	Year ended 30 June 23 Singapore Cents	Year ended 30 June 22 Singapore Cents
Loss per share	0.04	(3.98)	(3.94)

The weighted average shares used to compute basic earnings per share are 214,560,008 for this year and 215,746,247 for the previous year.

Classification	Decrease Singapore Cents	As at 30 June 23 Singapore Cents	As at 30 June 22 Singapore Cents
Net tangible assets per share	(4.58)	16.02	20.60

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 2024, the Group does not plan to incur any major capital expenditure.

Confirmed Orders
We have a total of S$175.44m (30 June 2022: S$74.10m) outstanding confirmed orders in hand as at 30 June 2023. A breakdown of these outstanding confirmed orders are as follows: -

	S$m
Green Energy, Gas & Marine Equipment	144.60
Construction Equipment	14.44
Precision Engineering & Technologies	16.40
Total	175.44

Of the above, S$107.48m are scheduled for delivery in the financial year 2024 and S$67.96m are scheduled to be delivered in the financial year 2025.

Dividends & Share Buy-Back

In view of its results, the Group is not in a position to pay any dividends.

The current on-market share buy-back program within the 10/12 limit is due to expire on 4 September 2023. To date, a total of 2,580,772 shares were bought back at an average price of 10.33 Australian cents. The Board does not intend to exercise any share buy-back in this coming year and may consider resuming the share buy-back exercise in the future, as it deems appropriate.

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 2023

	Note	2023 S$'000	2022 S$'000
Revenue from contracts with customers	3	92,402	88,970
Rental income		1,696	3,357
Revenue		94,098	92,327
Other revenue	4	1,129	1,430
Total consolidated revenue		95,227	93,757
Cost of materials		(56,054)	(52,353)
Employee, contract labour and related costs		(29,672)	(28,515)
Depreciation and amortisation		(5,330)	(5,789)
Property related expenses		(250)	(225)
Impairment of goodwill	6	–	(664)
Other operating expenses	5	(10,723)	(13,857)
Finance costs		(1,676)	(926)
Share of results of associate	12	(393)	(480)
Loss before taxation		(8,871)	(9,052)
Tax benefit	7	136	490
Loss for the year		**(8,735)**	**(8,562)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss (net of tax):			
Revaluation of land and buildings		–	1,287
Items that may be reclassified subsequently to profit or loss (net of tax):			
Foreign currency translation on consolidation		(1,315)	(511)
Other comprehensive (loss)/income for the year, net of tax		(1,315)	776
Total comprehensive loss for the year		(10,050)	(7,786)
Loss attributable to:			
Equity holders of the Parent		(8,540)	(8,495)
Non-controlling interests		(195)	(67)
Loss for the year		(8,735)	(8,562)
Total comprehensive loss attributable to:			
Equity holders of the Parent		(9,855)	(7,719)
Non-controlling interest		(195)	(67)
Total comprehensive loss for the year		(10,050)	(7,786)
Earnings per share (cents)			
Basic loss per share	8	(3.98)	(3.94)
Diluted loss per share	8	(3.98)	(3.94)

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

Preliminary Consolidated Balance Sheet
as at 30 June 2023

	Note	**2023** S$'000	**2022** S$'000
Non-current assets			
Property, plant and equipment		32,376	34,499
Right-of-use assets		8,293	8,261
Intangible assets		5,454	5,879
Deferred tax assets		2,327	2,243
Investment in associate	12	2,318	2,711
		50,768	53,593
Current assets			
Cash and bank balances	10	7,848	14,087
Fixed deposits	11	4,818	6,291
Inventories		26,654	28,503
Trade and other receivables		21,406	15,201
Contract assets		4,843	11,352
Contract costs		3,105	2,613
Prepayments		491	433
Tax recoverable		174	146
		69,339	78,626
TOTAL ASSETS		120,107	132,219
Current liabilities			
Trade and other payables		23,568	28,681
Contract liabilities		7,275	3,300
Lease liabilities		1,395	1,571
Other interest-bearing liabilities	13	25,257	24,028
Provisions		1,098	1,197
Unearned income		-	1
Income tax payable		169	113
		58,762	58,891
NET CURRENT ASSETS		10,577	19,735
Non-current liabilities			
Lease liabilities		6,980	6,578
Other interest-bearing liabilities	13	3,135	5,118
Deferred tax liabilities		3,223	3,531
Provisions		299	352
		13,637	15,579
TOTAL LIABILITIES		72,399	74,470
NET ASSETS		47,708	57,749
Equity attributable to equity holders of the Parent			
Share capital	14	20,836	20,836
Reserves		10,355	12,443
Retained earnings		16,621	24,379
		47,812	57,658
Non-controlling interests		(104)	91
TOTAL EQUITY		47,708	57,749
TOTAL LIABILITIES AND EQUITY		120,107	132,219

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 2023

	Attributable to equity holders of the Parent								
	Share capital	**Share capital – exercise of share options**	**Asset revaluation surplus**	**Foreign currency translation reserve**	**Share-based payments reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1.7.2021	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	–	–	1,287	–	–	–	1,287	–	1,287
Foreign currency translation	–	–	–	(511)	–	–	(511)	–	(511)
Total comprehensive income/(loss) for the year	–	–	1,287	(511)	–	(8,495)	(7,719)	(67)	(7,786)
On-market share buy-back	(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	14,551	(2,194)	86	24,379	57,658	91	57,749
Loss for the year	–	–	–	–	–	(8,540)	(8,540)	(195)	(8,735)
Other comprehensive income									
Foreign currency translation	–	–	–	(1,315)	–	–	(1,315)	–	(1,315)
Total comprehensive loss for the year	–	–	–	(1,315)	–	(8,540)	(9,855)	(195)	(10,050)
Share-based payments	–	–	–	–	9	–	9	–	9
Expired employee share options	–	–	–	–	(4)	4	–	–	–
Transfer of depreciation for buildings	–	–	(778)	–	–	778	–	–	–
Balance at 30.06.2023	20,364	472	13,773	(3,509)	91	16,621	47,812	(104)	47,708

Preliminary Consolidated Statement of Cash Flows

for the year ended 30 June 2023

(In Singapore dollars)

	Note	2023	2022
		S$'000	S$'000
Cash flows from operating activities:			
Operating loss before taxation		(8,871)	(9,052)
Adjustments for:			
Depreciation of property, plant and equipment		3,117	3,298
Depreciation of right-of-use assets		1,876	2,160
Amortisation of intangible assets		337	331
Impairment of goodwill		–	664
Bad debts written off	5	12	4
Contract assets written off	5	122	–
Allowance for/(write-back of) impairment and expected credit losses	5	112	(30)
Allowance for inventory obsolescence, net of reversal	5	262	638
Inventories written off	5	8	98
Finance costs		1,676	926
Interest income	4	(142)	(10)
Property, plant and equipment written off	5	3	15
Gain on disposal of property, plant and equipment	4	(4)	(13)
Trade and other payables written back	4	(26)	–
Provisions made, net of write-back		564	520
Share-based payments		9	7
Share of results of associate	12	393	480
Unrealised exchange differences		(970)	119
Operating profit before reinvestment in working capital		(1,522)	155
Decrease/(increase) in stocks and work-in-progress		1,495	(5,227)
Increase in trade receivables, contract assets and prepayments		(465)	(3,771)
(Decrease)/increase in trade and other payables, contract liabilities		(1,930)	4,151
Cash used in operations		(2,422)	(4,692)
Interest received		115	10
Interest paid		(1,519)	(754)
Income taxes paid		(249)	(91)
Net cash used in operating activities		(4,075)	(5,527)

Preliminary Consolidated Statement of Cash Flows (Cont'd)

	Note	2023	2022
		S$'000	S$'000
Cash flows from investing activities:			
Purchase of property, plant and equipment		(976)	(845)
Proceeds from disposal of property, plant and equipment		4	13
Purchase of computer software		(28)	(63)
Increase in patented technology		–	(10)
Net cash used in investing activities		(1,000)	(905)
Cash flows from financing activities:			
(Decrease)/increase in bills payable		(2,328)	9,576
Proceeds from bank borrowings		–	3,000
Repayments of bank borrowings		(2,772)	(2,390)
Proceeds from loan from a related party		4,500	–
Repayment of loan to a related party		(20)	–
Repayment of principal portion of lease liabilities		(1,922)	(2,715)
Decrease/(increase) in fixed deposits pledged		1,473	(3,211)
On-market share buy-back		–	(264)
Net cash (used in)/generated from financing activities		(1,069)	3,996
Net decrease in cash and cash equivalents		(6,144)	(2,436)
Net foreign exchange differences		22	(127)
Cash and cash equivalents at beginning of year		13,462	16,025
Cash and cash equivalents at end of year	10	7,340	13,462

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 2022, the interim financial report for the half year ended 31 December 2022 and considered together with any public announcements made by Zicom Group Limited during the year ended 30 June 2023 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 2022.

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, foundation equipment, hydraulic drive systems, including foundation equipment rental, parts and related services.

- 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 2023				
Revenue				
Revenue from contracts with customers	31,826	33,705	26,871	92,402
Rental income	–	1,696	–	1,696
Other revenue	171	408	145	724
Intersegment sales	–	52	–	52
Total segment revenue	31,997	35,861	27,016	94,874
Intersegment elimination				(52)
Unallocated revenue				263
Interest income				142
Total consolidated revenue				95,227
Results				
Segment results	(6,698)	1,508	(361)	(5,551)
Unallocated revenue				263
Unallocated expenses				(1,656)
Share of results of associate			(393)	(393)
Loss before tax and finance costs				(7,337)
Finance costs				(1,676)
Interest income				142
Loss before taxation				(8,871)
Tax benefit				136
Loss after taxation				(8,735)

	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)

Note 3 Revenue from contracts with customers

	Consolidated	
	2023	**2022**
	S$'000	S$'000
Transferred at a point in time		
Sale of goods	54,960	48,021
Revenue recognised on projects	2,695	658
Transferred over time		
Rendering of services	4,034	5,621
Revenue recognised on projects	30,713	34,670
	92,402	88,970

Note 4 Other operating income

	Consolidated	
	2023	**2022**
	S$'000	S$'000
Interest income	142	10
Gain on disposal of property, plant and equipment	4	13
Trade and other payables written back	26	–
Recovery of monies misappropriated	443	508
Services rendered	25	35
Sales of scrap	114	88
Government grants	358	647
Other revenue	17	129
	1,129	1,430

Note 5 Other operating expenses included the following:

	Consolidated	
	2023	**2022**
	$'000	$'000
Allowance for inventory obsolescence, net of reversal	262	638
Allowance for/(write-back of) impairment and expected credit losses	112	(30)
Bank charges	551	418
Bad debts written off	12	4
Contract assets written off	122	–
Foreign exchange loss/(gain)	636	158
Provision for product warranties made, net of reversal	534	348
Property, plant and equipment written off	3	15
Warranty expense charged directly to profit or loss	9	4
Inventories written off	8	98
Sales commission	789	2,025
Sea freight	1,512	2,858
Travelling expenses	349	184
Utility charges	831	793

Note 6 Impairment

During the year ended 30 June 2022, the Group determined that the carrying value of assets (including goodwill) of Orion Systems Integration Pte. Ltd. cash-generating unit exceeded its recoverable amount and an impairment loss of S$664,000 was recorded. No impairment loss was recorded for the year ended 30 June 2023.

Note 7 Taxation

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

	Consolidated	
	2023	**2022**
	S$'000	S$'000
Current income tax		
Current income tax charge	(177)	(73)
Adjustments in respect of previous years	(94)	(49)
Deferred income tax		
Relating to the origination and reversal of temporary differences	660	471
Adjustments in respect of previous years	(253)	141
Income tax benefit	136	490
Net surplus on revaluation of buildings	–	(284)
Deferred tax charged to other comprehensive income	–	(284)

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	
	2023 S$'000	**2022** S$'000
Net loss attributable to equity holders of the Parent	(8,540)	(8,495)
	Parent Entity	
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	214,560	215,746
	Singapore cents	
Basic and diluted loss per share	(3.98)	(3.94)

There were nil (2022: 5,575,000) 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

	2023	**2022**
Net tangible assets per ordinary share (Singapore cents)	16.02	20.60

Note 10 Cash and cash equivalents

	2023	**2022**
	S$'000	S$'000
Cash at bank and in hand	7,834	14,071
Demand deposits	14	16
Cash and bank balances	7,848	14,087

For the purpose of the cash flow statement, cash and cash equivalents comprised the following:

Cash and demand deposits	7,848	14,087
Bank overdrafts	(508)	(625)
Cash and cash equivalents	7,340	13,462

Note 11 Fixed Deposits

These are fixed deposits placed with the bank as part of banking facilities requirements. Fixed deposit amounting to S$4,790,000 (2022: S$6,263,000) earned interest at floating rate at 0.1% - 4.74% (2022: 0.1%) per annum, the remaining fixed deposit does 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")	**2023**	**2022**
Shareholdings held: 16.29% (30 June 22: 16.29%)	S$'000	S$'000
Principal place of business: Singapore		
At beginning of year	2,711	3,191
Share of results after income tax	(393)	(480)
At end of year	2,318	2,711

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	
	2023	**2022**
	S$'000	S$'000
Current		
Bank overdrafts (Note 10)	508	625
Bills payable	7,248	9,576
Revolving term loans	9,200	10,250
Term loans	1,993	1,732
Loans from a related party	6,308	1,845
	25,257	24,028
Non-Current		
Term loans	3,135	5,118

Note 14 Share capital

a) Details

	Parent Entity		**Consolidated**	
	2023	**2022**	**2023**	**2022**
	No. of shares (Thousands)		S$'000	S$'000
Ordinary fully paid shares	214,560	214,560	20,836	20,836

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 and end of year	214,560	20,836

There have been no movements in ordinary share capital.

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

☐	The accounts have been audited	☐	The accounts have been subject to review
✔	The accounts are in the process of being audited or subject to review.	☐	The accounts have not yet been audited or reviewed.

Signed ……………………………………. **Date:** 31 August 2023
(Director/ Company Secretary)