

HS OPTIMUS HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199504141D)

UNAUDITED FINANCIAL STATEMENTS FOR THE
SIX MONTHS AND FULL YEAR ENDED 31 MARCH 2022

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

This announcement has not been examined or approved by the SGX-ST. 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.

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group					
		6 months ended			12 months ended		
		31 Mar 2022	31 Mar 2021	Increase/ (Decrease)	31 Mar 2022	31 Mar 2021	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%	
<u>Continuing operations</u>							
Revenue	N4.1	10,861	10,660	2	15,434	18,301	(16)
Cost of sales		(8,467)	(8,518)	(1)	(12,413)	(14,750)	(16)
Gross profit		2,394	2,142	12	3,021	3,551	(15)
Other income		334	(103)	N/M	1,128	2,730	(59)
Selling and distribution expenses		(246)	(376)	(35)	(371)	(471)	(21)
Administrative expenses		(2,384)	(2,429)	(2)	(5,709)	(3,751)	52
Finance costs		(53)	(92)	(42)	(110)	(213)	(48)
(Loss)/Profit before tax from continuing operations	N6	45	(858)	N/M	(2,041)	1,846	N/M
Tax credit	N7	38	-	N/M	38	-	N/M
(Loss)/Profit from continuing operations, net of tax		83	(858)	N/M	(2,003)	1,846	N/M
<u>Discontinued operations</u>							
Gain/(Loss) from discontinued operations, net of tax		32	498	(94)	7	(30)	N/M
(Loss)/Profit for the period		115	(360)	N/M	(1,996)	1,816	N/M
Other comprehensive (loss)/income							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Currency translation differences		(569)	(316)	80	(176)	758	N/M
Total comprehensive (loss)/income for the period		(454)	(676)	(33)	(2,172)	2,574	N/M
(Loss)/Profit for the period attributable to:							
Owners of the Company							
(Loss)/Profit from continuing operations		259	(788)	N/M	(1,799)	2,149	N/M
Gain/(Loss) from discontinued operations		32	498	(94)	7	(30)	N/M
Non-controlling interests		(176)	(70)	N/M	(204)	(303)	(33)
		115	(360)	N/M	(1,996)	1,816	N/M
Total comprehensive (loss)/income for the period attributable to:							
Owners of the Company							
(Loss)/Profit from continuing operations		(684)	(959)	(29)	(2,185)	2,398	N/M
Loss from discontinued operations		486	294	65	(4)	(247)	(98)
Non-controlling interests		(256)	(11)	N/M	17	423	(96)
		(454)	(676)	(33)	(2,172)	2,574	N/M

N/M: Not Meaningful

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Group			
	6 months ended		12 months ended	
	31 Mar 2022 cents per share	31 Mar 2021 cents per share	31 Mar 2022 cents per share	31 Mar 2021 cents per share
(Loss)/earnings per share from continuing operations attributable to owners of the Company				
-Basic	0.005	(0.015)	(0.033)	0.040
-Diluted	0.005	(0.015)	(0.033)	0.040
(Loss)/earnings per share attributable to owners of the Company				
-Basic	0.005	(0.005)	(0.033)	0.039
-Diluted	0.005	(0.005)	(0.033)	0.039

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		31 Mar 2022 \$'000	31-Mar-2021 \$'000	31 Mar 2022 \$'000	31-Mar-2021 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	N10	7,229	7,926	16	60
Right-of-use assets		3,835	7,240	2,061	2,100
Investment properties	N11	17,987	15,152	-	-
Subsidiaries		-	-	41,922	41,780
Financial assets at fair value through profit or loss		*	*	-	-
Contracts assets		-	28	-	-
		29,051	30,346	43,999	43,940
Current assets					
Development properties	N12	31,141	30,978	-	-
Prepayments, trade and other receivables		5,867	6,213	22,245	19,274
Contract assets		*	119	-	-
Inventories	N13	5,943	5,816	-	-
Cash and cash equivalents		11,127	11,296	4,274	8,935
		54,078	54,422	26,519	28,209
Total assets		83,129	84,768	70,518	72,149
LIABILITIES					
Non-current liabilities					
Loans and borrowings	N14	2,684	2,848	-	-
Deferred tax liabilities		1,479	1,575	-	-
		4,163	4,423	-	-
Current liabilities					
Trade and other payables		5,002	6,120	247	305
Loans and borrowings	N14	2,497	507	-	-
Income tax payable		19	-	-	-
Provision for restructuring		-	98	-	-
		7,518	6,725	247	305
Total liabilities		11,681	11,148	247	305
Net assets		71,448	73,620	70,271	71,844
EQUITY					
Share capital	N15	103,171	103,171	103,171	103,171
Revaluation and other reserves		(7,416)	(7,019)	-	-
Accumulated losses		(33,313)	(31,521)	(32,900)	(31,327)
Equity holders of the company		62,442	64,631	70,271	71,844
Non-controlling interest		9,006	8,989	-	-
Total equity		71,448	73,620	70,271	71,844
Total equity and liabilities		83,129	84,768	70,518	72,149

*Amounts less than \$1,000

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Share capital	Foreign currency translation reserve	Reserves of disposal group classified as held for sale	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1-Apr-2021	103,171	(7,019)	-	(31,521)	64,631	8,989	73,620
Loss for the year	-	-	-	(1,792)	(1,792)	(204)	(1,996)
Other comprehensive income	-	(397)	-	-	(397)	221	(176)
Total comprehensive income/(loss) for the financial year	-	(397)	-	(1,792)	(2,189)	17	(2,172)
Balance at 31-Mar-2022	103,171	(7,416)	-	(33,313)	62,442	9,006	71,448
Balance at 1-Apr-2020	103,171	(7,051)	163	(33,640)	62,643	8,566	71,209
Profit/(Loss) for the year	-	-	-	2,119	2,119	(303)	1,816
Other comprehensive income	-	32	-	-	32	726	758
Total comprehensive income for the financial year	-	32	-	2,119	2,151	423	2,574
Reserve attributable to disposal group classified as held for sale	-	-	(163)	-	(163)	-	(163)
Balance at 31-Mar-2021	103,171	(7,019)	-	(31,521)	64,631	8,989	73,620

Company	Share capital	Accumulated losses	Total
	\$'000	\$'000	\$'000
Balance at 1-Apr-2021	103,171	(31,327)	71,844
Loss for the period, representing total comprehensive loss for the period	-	(1,573)	(1,573)
Balance at 31-Mar 2022	103,171	(32,900)	70,271
Balance at 1-Apr-2020	103,171	(29,870)	73,301
Loss for the financial year , representing total comprehensive loss for the financial year	-	(1,457)	(1,457)
Balance at 31-Mar-2021	103,171	(31,327)	71,844

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Group	12months ended	
	31 Mar 2022 \$'000	31 Mar 2021 \$'000
Cash flows from operating activities		
(Loss)/profit before tax from continuing operations	(2,041)	1,846
Profit/(Loss) before tax from discontinued operations	7	(27)
	(2,034)	1,819
Adjustments for:		
Depreciation of property, plant and equipment	668	726
Depreciation of right-of-use assets	117	503
Depreciation of investment property	479	89
Gain on disposal of subsidiary	-	(2,085)
Gain on disposal of property, plant and equipment	(3)	(40)
Gain on disposal of right-of-use-assets	-	(37)
Loss on disposal of inventory	-	58
Interest expense from continuing operations	110	213
Interest expense from discontinued operations	-	6
Interest income	(144)	(102)
Inventories written down	21	-
Write back on property, plant and equipment	-	(131)
Provision for expected credit loss on trade receivables written back	(130)	-
Right-of-use assets written off	-	(35)
Unrealised foreign exchange differences	(6)	137
Impairment loss on development properties	453	695
Impairment loss on right-of-use assets	-	30
Write back of restructuring	-	(800)
Allowance for inventory obsolescence	-	50
Operating cash flow before working capital changes	(469)	1,096
Changes in working capital		
Increase in development properties	(615)	(7,425)
(Increase) / Decrease in inventories	(149)	413
Decrease in trade and other receivables and contract assets	600	4
Increase in trade and other payables	(1,258)	(4,384)
Cash used in operations	(1,891)	(10,296)
Interest income received	144	102
Income tax paid, net	(1)	17
Net cash used in operating activities	(1,748)	(10,177)
Cash flows from investing activities		
Additions to investment properties	(119)	-
Sale proceeds from disposal of subsidiary	-	9,381
Purchase of property, plant and equipment	(45)	(271)
Proceeds from disposal of right-of-use-assets	-	40
Proceeds from disposal of property, plant and equipment	3	126
Net cash (used in) /generated from investing activities	(161)	9,276
Cash flows from financing activities		
Repayments of loans and borrowings	(2,336)	(3,102)
Proceeds from loans and borrowings	4,182	2,185
Loan from non-controlling interest	-	1,020
Interest paid	(110)	(220)
Payment of principal portion of lease payments	(36)	(348)
Net cash flows generated from / (used in) financing activities	1,700	(465)
Net decrease in cash and cash equivalents	(209)	(1,366)
Cash and cash equivalents at 1 Apr	11,299	12,697
Effect of exchange rate changes on cash and cash equivalents	40	(32)
Cash and cash equivalents at end of the year	11,130	11,299

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

Group	31 Mar 2022	31 Mar 2021
	\$'000	\$'000
Cash and bank balances	7,480	3,560
Fixed deposits	3,647	7,736
Cash and cash equivalents as per consolidated statement of financial position	11,127	11,296
Cash and cash equivalents		
- Continuing operations	10,988	10,942
- Discontinued operations	139	354
- Disposal group assets classified as held for sale	3	3
Cash and cash equivalents as per consolidated statement of cash flows	11,130	11,299

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

N1. Corporate information

HS Optimus Holdings Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the six months ended 31 March 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”). The principal activity of the Company is that of investment holding.

The principal activities are of the Group are:

- (a) Door manufacturing and distribution;
- (b) Property investments and property developments; and
- (c) Investment holding.

N2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 March 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim 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 interim financial statements for the year ended 30 September 2021.

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 financial statements are presented in Singapore dollar which is the Company’s functional currency.

N2.1. New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

N2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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 31 March 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements are:

Note 11 – Valuation of investment properties determined using significant unobservable inputs.

Note 12 – Valuation of development properties determined using significant unobservable inputs.

N3. Seasonal operations

Generally, the Group's businesses are not subject to any significant seasonal fluctuations that will affect the business and operations.

N4. Segment and revenue information

Business segments

The Group is organised into the following business segments:

- (a) Investment segment: This relates to investment holding.
- (b) Door business segment: This relates to the manufacture and distribution of doors, furniture and fittings, wood related products and supply and installation of doors.
- (c) Property business segment: This relates to rental of premises, property developments and investments.

	Continuing operation			Discontinued operation	Total
	Investment	Door Business	Property Business	Door Business	
1 October 2021 to 31 March 2022	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue					
Sales - external	-	10,861	-	-	10,861
Segment (loss)/gain	(1,222)	1,301	(314)	(13)	(248)
Other income					380
Finance costs					(55)
Profit before taxation					77
Income tax expense					(38)
Profit for the period					115
Consolidated total assets	6,407	27,393	49,329	-	83,129
Segment liabilities	247	2,095	2,660	-	5,002
-Deferred tax liabilities	-	1,479	-	-	1,479
-Income tax payable	-	19	-	-	19
-Borrowings, secured	-	5,181	-	-	5,181
Consolidated total liabilities					11,681
<u>Other segment items</u>					
Depreciation of property, plant and equipment	18	313	-	-	331
Depreciation on right-of-use assets	19	35	-	-	54
Depreciation on investment property	-	49	192	-	241
Impairment loss on development properties	-	-	453	-	453
Inventories written down	-	8	-	-	8

	Continuing operation			Discontinued operation	Total
	Investment	Door Business	Property Business	Door Business	
	\$'000	\$'000	\$'000	\$'000	
1 April 2021 to 31 March 2022					
Segment revenue					
Sales - external	-	15,434	-	-	15,434
Segment (loss)/gain	(2,320)	999	(1,737)	(38)	(3,096)
Other income					1,174
Finance costs					(112)
Loss before taxation					(2,034)
Income tax expense					38
Loss for the period					(1,996)
Consolidated total assets	6,407	27,393	49,329	-	83,129
Segment liabilities	247	2,095	2,660	-	5,002
-Deferred tax liabilities	-	1,479	-	-	1,479
-Income tax payable	-	19	-	-	19
-Borrowings	-	5,181	-	-	5,181
Consolidated total liabilities					11,681
<u>Other segment items</u>					
Depreciation of property, plant and equipment	44	624	-	-	668
Depreciation on right-of-use assets	39	78	-	-	117
Depreciation on investment property	-	98	381	-	479
Gain on disposal of property, plant and equipment	-	3	-	-	3
Impairment loss on development property	-	-	453	-	453
Inventories written down	-	21	-	-	21

	Continuing operation			Discontinued operation	Total
	Investment	Door Business	Property Business	Door Business	
1 October 2020 to 31 March 2021	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue					
Sales - external	-	10,660	-	(16)	10,644
Segment (loss)/gain	(1,467)	604	201	(686)	(1,348)
Other income					1,095
Finance costs					(107)
Loss before taxation					(360)
Income tax expense					-
Loss for the period					(360)
Consolidated total assets	11,184	26,084	47,500	-	84,768
Segment liabilities	305	3,276	2,637	-	6,218
-Deferred tax liabilities	-	1,575	-	-	1,575
-Borrowings, secured	-	3,355	-	-	3,355
Consolidated total liabilities					11,148
<u>Other segment items</u>					
Depreciation of property, plant and equipment	34	312	-	23	368
Depreciation on right-of-use assets	20	82	-	110	212
Depreciation on investment property	-	-	89	-	89
Inventories written down	-	48	-	-	48

	Continuing operation			Discontinued operation	Total
	Investment	Door Business	Property Business	Door Business	
1 April 2020 to 31 March 2021	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue					
Sales - external	-	18,301	-	867	19,168
Segment (loss)/gain	(2,655)	752	1,233	(1,230)	(1,900)
Other income					3,952
Finance costs					(233)
Profit before taxation					1,819
Income tax expense					(3)
Profit for the period					1,816
Consolidated total assets	11,184	26,084	47,500	-	84,768
Segment liabilities	305	3,276	2,637	-	6,218
-Deferred tax liabilities	-	1,575	-	-	1,575
-Borrowings	-	3,355	-	-	3,355
Consolidated total liabilities					11,148
<u>Other segment items</u>					
Capital expenditure	1	126	-	-	127
Depreciation of property, plant and equipment	68	598	-	60	726
Depreciation on right-of-use assets	40	193	-	270	503
Depreciation on investment property	-	-	89	-	89
Gain on disposal of property, plant and equipment	-	32	-	-	32
Impairment loss on development properties	-	-	695	-	695
Impairment loss on right-of-use assets	30	-	-	-	30
Inventories written down		50	-	34	84

N4.1 Revenue and Geographical segments

	Group Revenue			
	12 months ended		6 months ended	
	31 March 2022	31 March 2021	31 March 2022 \$'000	31 March 2021 \$'000
<i>Recognised at a point in time</i>				
Sale of goods	15,434	18,301	10,861	10,660
<i>Recognised over time</i>				
Revenue from contract work	-	-	-	-

The Group's revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:

	Group Revenue			
	12 months ended		6 months ended	
	31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 \$'000	31 March 2021 \$'000
United Kingdom	14,799	17,535	10,289	10,417
Ireland	621	493	558	133
Malaysia	14	-	14	-
United States of America	-	273	-	110
	15,434	18,301	10,861	10,660

	Group Non-current assets	
	31 March 2022 \$'000	31 March 2021 \$'000
	Singapore	5,282
Malaysia	8,987	9,702
Australia	14,782	15,152
Indonesia	-	1
	29,051	30,346

Non-current assets presented above exclude financial assets at fair value through profit or loss.

N5. **Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 March 2022 and 31 March 2021:

	Group		Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Financial assets				
Financial assets at amortised cost:	\$'000	\$'000	\$'000	\$'000
- Trade and other receivables	5,088	4,855	22,197	19,209
- Cash and cash equivalents	11,127	11,296	4,274	8,935
Financial asset at fair value through profit or loss	*	*	-	-
	16,215	16,151	26,471	28,144

Financial liabilities

Financial liabilities at amortised cost:

- Trade and other payables	4,979	6,106	230	305
- Interest bearing borrowings				
-Foreign currency loan against import	2,234	308	-	-
-Term loan	3,562	3,810	-	-
- Lease liabilities	52	65	-	-
	<u>10,827</u>	<u>10,289</u>	<u>230</u>	<u>305</u>
	<u>5,388</u>	<u>5,862</u>	<u>26,241</u>	<u>27,839</u>

*Amounts less than \$1,000

N6. (Loss)/profit before tax from continuing operations

The following items have been included in arriving at (loss)/profit from continuing operations:

	Group			
	6 months ended		12 months ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Depreciation of property, plant and equipment	331	345	668	666
Depreciation of right-of-use assets	54	102	117	233
Depreciation of investment properties	241	89	479	89
Interest expense	53	92	110	213
Interest income	97	28	144	102
Government grants and incentives	86	83	98	309
Gain on disposal of property, plant and equipment	-	-	3	32
Gain on disposal of subsidiary	-	(365)	508	2,085
Foreign currency exchange loss/(gain)	(689)	(595)	77	(2,172)
Inventories written down	8	48	21	50
Impairment loss on development properties	453	105	453	695

N7. Taxation

The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months ended		12 months ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current tax				
-current year tax expense	273	*	273	*
-over provision in previous years	(311)	*	(311)	*
	<u>38</u>	<u>*</u>	<u>38</u>	<u>*</u>
Income tax attributable to continuing operations	38	*	38	*
Income tax attributable to discontinued operation	-	*	-	*
Income tax credit recognised in profit or loss	<u>38</u>	<u>*</u>	<u>38</u>	<u>*</u>

*Amounts less than \$1,000

N8. Dividends

No interim dividend has been proposed for the financial year ended 31 March 2022.

N9. Net asset value

	Group		Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	Cents	Cents	Cents	Cents
Net asset value per share based on existing issued share capital as at end of period/year	1.16	1.20	1.31	1.34

Net asset value per ordinary share is calculated based on 5,380,556,316 shares as at 31 March 2022 (31 March 2021: 5,380,556,316).

N10. Property, plant and equipment

During the financial year ended 31 March 2022, the Group acquired assets amounting to \$44,700 (31 March 2021: \$270,592) and disposed of assets with a net book value amounting to nil (31 March 2021: \$86,620).

N11. Investment properties

	Group	
	31 March 2022	31 March 2021
	\$'000	\$'000
Cost		
As at 1 April	15,245	-
Addition	119	-
Transfer from development properties	-	14,545
Transfer from right-of-use assets	4,645	-
Currency translation differences	(102)	700
As at 31 March	<u>19,907</u>	<u>15,245</u>
Accumulated depreciation		
As at 1 April	93	-
Depreciation charge for the year	479	89
Transfer from right-of-use assets	1,343	-
Currency translation differences	5	4
As at 31 March	<u>1,920</u>	<u>93</u>
Net carrying amount	<u>17,987</u>	<u>15,152</u>

During the financial year ended 31 March 2022, the Group transferred costs of \$4,645,050 and accumulated depreciation of \$1,342,892 from right-of-use assets to investment property due to a change in use of a leasehold building located in Singapore and in compliance with SFRS(I) 1-40.

The investment properties held by the Group as at 31 March 2022 is as follows:

Description	Tenure	Building area (sqm)
A block of five-storey commercial/office building at 23-31 Lincoln Square South, Carlton, Melbourne, Australia	Freehold	3,745
A block of four-storey corner terrace factory at 39 Kaki Bukit Industrial Terrace Singapore 416119	Leasehold (60 years)	723

The Group's investment properties include buildings and buildings improvements that are held to earn rentals or for capital appreciation, or both. The Group has no restriction on the realisability of its investment properties and no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment. As at 31 March 2022, fair value of the investment property at Australia, which is based on its highest and best use, amounted to \$18,064,200. As at 31 March 2022, fair value of the investment property at Singapore, which is based on its highest and best use, amounted to \$3,300,000.

The valuations were performed by accredited independent valuers with recognised and relevant professional qualifications and recent experience in the location and category of the properties being valued. Both valuations were carried out based on the Direct Comparison Approach, a comparative method of valuation of the open market value of the subject property, taking into consideration the state and condition of the property. The fair value measurement of the investment properties were categorised under Level 3 of the fair value hierarchy.

N12. Development properties

	Group	
	31 March 2022	31 March 2021
	\$'000	\$'000
<i>Property held for redevelopment</i>		
As at 1 April	-	11,566
Addition	-	1,635
Transfer to investment property	-	(14,545)
Currency translation differences	-	1,344
As at 31 March	-	-
<i>Land use rights designated as part of development properties</i>		
As at 1 April	30,978	27,228
Addition	-	100
VAT capitalised	-	2,320
Impairment loss on land	(453)	(695)
Currency translation differences	616	2,025
As at 31 March	31,141	30,978

Development properties are measured at the lower of cost or net realisable value.

As at 31 March 2022, fair value of the land use rights designated as part of development properties of the Group is valued at \$28,665,000, excluding VAT and land tax incurred on the land. The valuation was performed by accredited independent valuer with a recognised and relevant professional qualification and experience in the location and category of the properties being valued. The valuation was carried out based on the Direct Comparison Approach, a comparative method of valuation of the open market value of the subject property, taking into consideration the state and condition of the properties. The fair value measurement of the development properties was categorised under Level 3 of the fair value hierarchy.

The Group has engaged an accredited independent valuer for the valuation of the development properties and the Group recognised an impairment loss of \$453,039 (2021: \$695,005) on land held for redevelopment during the financial year ended 31 March 2022.

During the financial year ended 31 March 2021, the Group transferred costs of \$14,545,228 from property held for redevelopment to investment property due to the change in use of the property.

N13. Inventories

	Group	
	31 March 2022	31 March 2021
	\$'000	\$'000
Finished goods	1,780	1,663
Work-in-progress	1,477	1,824
Raw materials	2,686	2,329
	5,943	5,816

During the financial year ended 31 March 2022, the Group recognised inventories written down of \$21,081.

N14. Loans and borrowings

	Group	
	31 March 2022	31 March 2021
	\$'000	\$'000
Current		
Lease liabilities	28	40
Loans and borrowings:		
-Foreign currency loan against import	2,308	306
-Term loan	161	161
	2,497	507
Non-current		
Lease liabilities	19	21
Loans and borrowings:		
-Term loan	2,665	2,827
	2,684	2,848
Total loans and borrowings	5,181	3,355

Amount repayable in one year or less, or on demand

As at 31 March 2022		As at 31 March 2021	
Secured	Unsecured	Secured	Unsecured
(\$'000)	(\$'000)	(\$'000)	(\$'000)
2,497	-	507	-

Amount repayable after one year

As at 31 March 2022		As at 31 March 2021	
Secured	Unsecured	Secured	Unsecured
(\$'000)	(\$'000)	(\$'000)	(\$'000)
2,684	-	2,848	-

Details of collateral

The foreign currency loan against import of the Group is secured by the following:-

- (a) corporate guarantee from the Company;
- (b) negative pledge over certain assets of the Group; and
- (c) legal charges over certain properties of the Group.

The term loan of the Group is secured by the following:-

- (a) legal charges over one of the Group's leasehold land and building in Singapore; and
- (b) corporate guarantee from the Company.

N15. Share Capital

	Company			
	31 March 2022		31 March 2021	
	Number of shares	\$'000	Number of shares	\$'000
Issued and fully paid ordinary share capital	5,380,556,316	103,171	5,380,556,316	103,171

There were no changes in the share capital of the Company in the financial year ended 31 March 2022.

The Company did not hold any treasury shares and there were no subsidiary holdings of the Company as of 31 March 2022 and 31 March 2021.

The Company did not hold any other outstanding convertible securities as at 31 March 2022 and 31 March 2021.

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 restrictions.

N16. Related Party Transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

N17. Fair value measurement

The table below analyses the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

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

The following table present the asset measured at fair value:

	Group	
	31 March 2022	31 March 2021
	\$	\$
	Level 1	Level 1
Recurring fair value measurement		
Financial assets at fair value through profit or loss	144	141

N18. Subsequent events

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

F. INFORMATION REQUIRED UNDER APPENDIX 7C OF THE CATALIST RULES

- 1. (a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to paragraph A.

- (a)(ii) Significant items**

Please refer to N6.

- (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Please refer to paragraph B.

- (b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

- (A) Amount repayable by the Group in one year or less, or on demand**

Please refer to N14

- (B) Amount repayable after one year**

Please refer to N14

- (C) Whether the amounts are secured or unsecured**

Please refer to N14

- (D) Details of any collaterals**

Please refer to N14

- (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to paragraph D.

- (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to paragraph C.

- (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Please refer to N15.

- (d)(iii) 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.**

Please refer to N15.

- (d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial year reported on.**

Please refer to N15. The Company did not have any sales, transfers, cancellation and/or use of treasury shares during financial year ended 31 March 2022.

- (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial year reported on.**

Please refer to N15. The Company did not have any sales, transfers, cancellation and/or use of subsidiary holdings during the financial year ended 31 March 2022.

There were no subsidiary holdings held by the Company as at 31 March 2022.

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

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**

The Group's latest audited financial statements for the financial year ended 31 March 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Please refer to N2.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to N2.

- 6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends, (a) based on the weighted average number of ordinary shares on issue and (b) on a fully diluted basis (detailing any adjustments made to the earnings).**

	Group 6 months ended		Group 12 months ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	Cents	Cents	Cents	Cents
(Loss)/Profit per share				
- basic	0.005	(0.015)	(0.033)	0.040
- diluted	0.005	(0.015)	(0.033)	0.040

The weighted average number of ordinary shares for the purposes of basic and diluted loss per share is 5,380,556,316 shares for the financial year ended 31 March 2022 (31 March 2021: 5,380,556,316 shares).

Basic profit / loss per share is calculated by dividing the loss / profit after tax attributable to shareholders by the weighted average number of fully paid ordinary shares in issue during the financial year.

For the purposes of calculating diluted profit / loss per share, the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 March 2022 and 31 March 2021, the Company does not have any outstanding share options.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

Please refer to N9.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Group's performance for the 6 months ended 31 March 2022 ("2H-22") as compared to the 6 months ended 31 March 2021 ("2H-21") and financial year ended 31 March 2022 ("FYE22") as compared to the financial year ended 31 March 2021 ("FYE21")

(A) Continuing operations

Revenue

The Group's revenue increased by 2% from \$10.66 million in 2H-21 to \$10.86 million in 2H-22, due to the increase in revenue from door business as compared to 2H-21, resulting from the resumption of factory operations on 14 September 2021. For FYE22, the Group's revenue decreased by 16% from \$18.30 million in FYE21 to \$15.43 million in FYE22, mainly due to the implementation of movement control orders by the Malaysian Government whereby the Group's factory in Johor, Malaysia was closed for operations from 1 June 2021 to 13 September 2021 (3.5 months). There were also global supply chain challenges including the global supply bottleneck in container shipping services, the rising container costs and raw material prices and raw material shortage, that have impeded the delivery of finished goods to the Group's overseas customers. In FYE21, the Group's factory operations were shut down for 1.5 months.

Cost of sales and gross profit

Cost of sales decreased by 1% from \$8.52 million in 2H-21 to \$8.47 million in 2H-22 and 16% from \$14.75 million in FYE21 to \$12.41 million in FYE22 mainly due to the drop in raw materials usage, factory overheads and labour costs, resulting from reduced overtime and piece-rate incentive. This coincided with the temporary closure of its factory in Johor, Malaysia from 1 June 2021 to 13 September 2021, arising from Malaysia's Movement Control Order in response to the COVID-19 pandemic. Year-on-year, the decrease in revenue and cost of sales were both 16%, hence the Group's full year gross profit margin remained constant at 20% for FYE22 as compared to 19% for FYE21.

Other income

In 2H-22, other income was \$0.33 million whereas in 2H-21 other income was a negative of \$0.10 million, which was due to a reversal of \$0.4 million gain on over accrued on disposal of subsidiary in 2H-21. If excluding this adjustment, 2H-21 other income was \$0.26 million and therefore the increase of 27% was due to higher interest income and rental income from investment property located in Singapore offset against lower sale of scraps and gain on disposal of right-of-use assets. Year-on-year, other income decreased by 59% from \$2.73 million in FYE21 to \$1.13 million in FYE22. The decrease was largely due to the absence of a gain on disposal group classified as held for sale of approximately \$2.08 million in FYE21, as well as decrease in interest income and various government grants in FYE22. These were offset against rental income, write back of expected credit losses on trade receivables and gain on disposal of liquidation (which relates to the voluntary winding up of our subsidiary in China, Dongguan Lebex Doors Co. Ltd., the completion of which was previously announced on 1 August 2021 via SGXNet) in FYE22.

Selling and distribution expenses

Selling and distribution expenses decreased by 35% from \$0.38 million in 2H-21 to \$0.25 million in 2H-22 mainly due to lower marketing support fee. Year-on-year, selling and distribution expenses decreased by 21% from \$0.47 million in FYE21 to \$0.37 million in FYE22. The decrease was primarily due to lower marketing support fee, handling fee for export containers of doors in relation to the decrease in revenue as explained above.

Administrative expenses

Administrative expenses decreased by 2% from \$2.43 million in 2H-21 to \$2.38 million in 2H-22. Year-on-year, administrative expenses increase by 52% to \$5.71 million in FYE22 as compared to \$3.75 million in FYE21. The increase was mainly due to unrealized foreign exchange loss of \$0.08 million in FYE22 as compared to an unrealized foreign exchange gain of \$2.17 million in FYE21. In addition, there were higher land tax and depreciation expenses incurred in FYE22, which were offset against a lower impairment loss on development properties in Jakarta, Indonesia in FYE22.

Finance costs

Finance costs decreased by 42% from \$0.09 million in 2H-21 to \$0.05 million in 2H-22 due to lesser term loan interest resulting from restructuring of a term loan. Year-on-year, finance costs decreased by 48% from \$0.21 million in FYE21 to \$0.11 million in FYE22. The decrease was mainly due to lower interest cost resulting from lower import loan drawn down and restructuring of a term loan.

Loss for the period

The Group recorded a profit of \$0.08 million in 2H-22 from continuing operations as compared to a loss of \$0.86 million in 2H-21. Year-on-year, the Group recorded a loss of \$2.00 million in FYE22 as compared to a net profit of \$1.85 million in FYE21.

(A) Discontinued operations

Discontinued operations relate to Dongguan Lebex Doors Co. Ltd and K LW (HK) Limited. These two entities are considered as part of a cash generating unit. In FYE22, it recorded a profit of \$0.01 due to reversal of provision which is no longer required.

Statements of the Group's Financial position

Review of the Group's financial position as at 31 March 2022 as compared to 31 March 2021

Non-current assets

Investment properties increased by 19% from \$15.15 million as at 31 March 2021 to \$17.99 million as at 31 March 2022. The increase was mainly due to the transfer from right-of-use assets to investment property due to a change in use of a leasehold building located in Singapore in compliance with SFRS(I) 1-40 which was offset against the depreciation of investment properties. Similarly, right-of-use assets decreased by 47% mainly due to depreciation of right-of-use assets and transfer to investment property as the leasehold building began its tenancy in April 2021. As at 31 March 2022, contract assets decreased by \$0.03 million due to payment received from customers for certain local supply and installation projects.

Current assets

Prepayments, trade and other receivables decreased by 6% from \$6.21 million as at 31 March 2021 to \$5.87 million as at 31 March 2022 mainly due to decrease in export sales of doors as a result of the Group's Malaysia factory closure from 1 June 2021 to 13 September 2021 due to the Malaysian Government's directive following the resurgence of COVID-19 cases in Malaysia. This was offset against an increase in other receivables due to the entry by the Group's wholly owned subsidiary in Australia entering into an Investment Debt and Marketing Agreement ("IDMA"), which was previously announced on 13 July 2021 via SGXNet in HYFY2022. The IDMA which involved the Group extending a loan of AUD2.0 million to finance the acquisition of a freehold property in Melbourne by the borrower and the Group providing marketing support services to the borrower in return for fees.

As at 31 March 2022, contract assets decreased by \$0.12 million due to payment received from customers for certain local supply and installation projects.

Non-current liabilities

Loans and borrowings decreased by 6% from \$2.85 million as at 31 March 2021 to \$2.68 million as at 31 March 2022 mainly due to repayment of term loan.

Current liabilities

Trade and other payables decreased by 18% from \$6.12 million as at 31 March 2021 to \$5.00 million as at 31 March 2022 mainly due to payments made to suppliers using foreign currency loans against import and lower accrued operating expenses such as salaries and bonus and professional fees. Loans and borrowings increased from \$0.51 million as at 31 March 2021 to \$2.48 million as at 31 March 2022. This was mainly due to the increase in the usage of the foreign currency loan against import.

As at 31 March 2022, there was no longer any provision for restructuring as the Company has completed the voluntary winding up of our subsidiary in China, Dongguan Lebex Doors Co. Ltd., which was previously announced on 1 August 2021 via SGXNet.

Equity

Total equity decreased by 3% from \$73.62 million as at 31 March 2021 to \$71.49 million as at 31 March 2022 mainly due to the full year loss recognized in FYE22.

Consolidated Statement of Cash Flows

Review of the Group's cash flow statement for the financial year ended 31 March 2022 as compared to 31 March 2021

The Group's net cash used in operating activities for FYE22 was \$1.75 million as compared to \$10.18 million for FYE21. Net cash used in operating activities in FYE22 was mainly due to changes in working capital for development properties, inventories, trade and other receivables and payables.

Net cash used in investing activities for FYE22 was \$0.16 million as compared to net cash generated of \$9.30 million for FYE21. Net cash used in investing activities in FYE22 was for building improvements for its investment property in Australia and purchase of property, plant and equipment.

Net cash generated from financing activities for FYE22 was \$1.70 million as compared to net cash used of \$0.47 million for FYE21. Net cash generated in financing activities in FYE22 was mainly due to the proceeds from loans and borrowings.

As a result of the above, the Group's cash and cash equivalents stood at \$11.13 million as at 31 March 2022.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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.

Re-emerging from 2 years of the Covid-19 pandemic and having the Group's door production base and manufacturing operations resume production and operations on 15th September 2021 after

obtaining the necessary approvals from Malaysia's Ministry of International Trade and Industry, the Group continues to maintain a cautious and vigilant stance to address the continued uncertainty of the pandemic. The Group will also assess structural changes in the global economy which may affect the export demand of the Group's doors including continued supply chain disruptions, raw material prices, freight price fluctuations and soaring inflation. Such factors may adversely affect purchasing decisions by major customers, made worse by the ongoing Russian-Ukraine conflict which shows no signs of abating. Despite these challenges, the Group maintains its position as a reliable, high quality and consistent producer and supplier of high-quality timber doors to the Group's wholesale customers in Europe.

Melbourne, Australia and Jakarta, Indonesia have reopened some of their borders. The Group continues to pursue leasing out its 5-storey refurbished heritage building at Lincoln Square, Carlton to appropriate tenants with a view to generating recurring income. In Jakarta, the Group notes the return to normality in certain areas and will continue to be cautious and continue with the necessary applications for respective permits.

11. If a decision regarding dividend has been made:

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

None.

(b)(i) Amount per share

Not applicable

(b)(ii) Previous corresponding period

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

None, as the Group is not in financial position to declare dividends.

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

The Group has not obtained a general mandate for interested person transactions.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Not applicable	-	-

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

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

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Refer to paragraph 8 of this announcement.

16. A breakdown of sales

	The Group		
	FYE22	FYE21	Increase/ (Decrease)
	\$'000	\$'000	%
a) Sales reported for the first half year – Continuing operation	4,573	7,641	(40)
b) Operating (loss)/profit after tax before deducting non-controlling interests reporting for first half year- Continuing operation	(2,086)	2,704	N/M
c) Sales reported for the second half year – Continuing operation	10,861	10,660	2
d) Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year – Continuing operation	83	(858)	N/M

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

Total Annual Dividend

	FY 31 March 2022(S\$)	FY 31 March 2021(S\$)
Ordinary	-	-
Preference	-	-
Total	-	-

- 18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there are no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

On behalf of the Board

Gloria Wong
Executive Director
30 May 2022