



**GDS**  
Global Limited

**GDS GLOBAL LIMITED**

(Company Registration No.: 201217895H)  
(Incorporated in the Republic of Singapore on 19 July 2012)

**GDS GLOBAL LIMITED**  
**(Registration No. 201217895H)**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED**  
**31 MARCH 2022**

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This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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## A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	<b>Group</b>		<b>Increase / (Decrease) %</b>
		<b>Six months ended 31 March</b>		
		<b>2022</b> S\$'000 Unaudited	<b>2021</b> S\$'000 Unaudited	
<b>Revenue</b>	4.1	5,860	5,739	2.1%
Cost of sales		<u>(4,374)</u>	<u>(3,961)</u>	10.4%
Gross profit		1,486	1,778	(16.4%)
Other operating income		126	381	(66.9%)
Marketing and distribution expenses		(195)	(145)	34.5%
Administrative expenses		(2,276)	(2,482)	(8.3%)
Other operating expenses		(132)	(139)	(5.0%)
Interest revenue		2	2	(0.0%)
Other gains and losses		(14)	(85)	(83.5%)
Finance costs		<u>(104)</u>	<u>(117)</u>	(11.1%)
<b>Loss before tax</b>	5	(1,107)	(807)	37.2%
Income tax expense	6	<u>(65)</u>	<u>(31)</u>	n.m.
<b>Loss for the period</b>		<u>(1,172)</u>	<u>(838)</u>	39.9%
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign operations		9	22	(59.1%)
<b>Other comprehensive (loss) income for the period, net of tax</b>		<u>9</u>	<u>22</u>	(59.1%)
<b>Total comprehensive loss for the period</b>		<u>(1,163)</u>	<u>(816)</u>	42.5%
<b>(Loss) income attributable to:</b>				
Owners of the Company		(1,362)	(928)	46.8%
Non-controlling interests		190	90	n.m.
		<u>(1,172)</u>	<u>(838)</u>	39.9%
<b>Total comprehensive (loss) income attributable to:</b>				
Owners of the Company		(1,353)	(906)	49.3%
Non-controlling interests		190	90	n.m.
		<u>(1,163)</u>	<u>(816)</u>	42.5%
<b>Basic and diluted loss per share (cents)</b>	7	<u>(1.22)</u>	<u>(0.83)</u>	47.0%

**Note:**

(1) n.m. denotes not meaningful.

## B. Condensed interim statements of financial position

	Note	Group		Company	
		As at		As at	
		31.03.2022	30.09.2021	31.03.2022	30.09.2021
		S\$'000	S\$'000	S\$'000	S\$'000
		Unaudited	Audited	Unaudited	Audited
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		7,983	8,775	3,523	3,486
Trade and other receivables		1,815	2,041	2,065	1,784
Contract assets		543	1,073	-	-
Inventories		1,951	1,904	-	-
<b>Total current assets</b>		<b>12,292</b>	<b>13,793</b>	<b>5,588</b>	<b>5,270</b>
<b>Non-current assets</b>					
Property, plant and equipment	10	2,152	2,298	-	-
Right-of-use assets		8,270	8,938	-	-
Intangible assets	11	1,407	1,454	-	-
Subsidiaries		-	-	4,240	4,240
<b>Total non-current assets</b>		<b>11,829</b>	<b>12,690</b>	<b>4,240</b>	<b>4,240</b>
<b>Total assets</b>		<b>24,121</b>	<b>26,483</b>	<b>9,828</b>	<b>9,510</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade and other payables		1,261	1,236	216	205
Contract liabilities		544	891	-	-
Lease liabilities		1,303	1,248	-	-
Income tax payable		173	172	9	10
<b>Total current liabilities</b>		<b>3,281</b>	<b>3,547</b>	<b>225</b>	<b>215</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		184	184	-	-
Lease liabilities		7,663	8,324	-	-
Other payables		241	268	-	-
<b>Total non-current liabilities</b>		<b>8,088</b>	<b>8,776</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>11,369</b>	<b>12,323</b>	<b>225</b>	<b>215</b>
<b>Capital, reserves and non-controlling interests</b>					
Share capital	12	5,245	5,245	5,245	5,245
Reserves		5,716	7,069	4,358	4,050
Equity attributable to owners of the Company		10,961	12,314	9,603	9,295
Non-controlling interests		1,791	1,846	-	-
<b>Total equity</b>		<b>12,752</b>	<b>14,160</b>	<b>9,603</b>	<b>9,295</b>
<b>Total liabilities and equity</b>		<b>24,121</b>	<b>26,483</b>	<b>9,828</b>	<b>9,510</b>

### Note:

There are no borrowings and debt securities and any related collateral for the Group and the Company as at 31 March 2022. (30 September 2021: S\$Nil)

### C. Condensed interim statements of changes in equity

The Group	Share capital	Translation reserve	Capital reserves	Merger reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total
<u>Unaudited</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 October 2021</b>	5,245	(50)	277	19	6,823	12,314	1,846	14,160
<b>Total comprehensive (loss) income for the period</b>								
(Loss) profit for the period	-	-	-	-	(1,362)	(1,362)	190	(1,172)
Other comprehensive income for the period	-	9	-	-	-	9	-	9
<b>Total</b>	-	9	-	-	(1,362)	(1,353)	190	(1,163)
<b>Transactions with owners, recognised directly in equity</b>								
Dividends paid to non-controlling shareholders by subsidiary	-	-	-	-	-	-	(245)	(245)
	-	-	-	-	-	-	(245)	(245)
<b>Balance at 31 March 2022</b>	5,245	(41)	277	19	5,461	10,961	1,791	12,752

**C. Condensed interim statements of changes in equity**

<b>The Group</b>	<b>Share capital</b>	<b>Translation reserve</b>	<b>Capital reserves</b>	<b>Merger reserve</b>	<b>Retained earnings</b>	<b>Equity attributable to owners of the Company</b>	<b>Non-controlling interests</b>	<b>Total</b>
<u>Unaudited</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 October 2020</b>	5,245	(57)	277	19	8,734	14,218	1,735	15,953
<b>Total comprehensive (loss) income for the period</b>								
(Loss) profit for the period	-	-	-	-	(928)	(928)	90	(838)
Other comprehensive income for the period	-	22	-	-	-	22	-	22
<b>Total</b>	-	22	-	-	(928)	(906)	90	(816)
<b>Balance at 31 March 2021</b>	5,245	(35)	277	19	7,806	13,312	1,825	15,137

### C. Condensed interim statements of changes in equity

<b>The Company</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
<u>Unaudited</u>			
<b>Balance at 1 October 2021</b>	5,245	4,050	9,295
Profit for the period, representing total comprehensive income for the period	-	308	308
<b>Balance at 31 March 2022</b>	<u>5,245</u>	<u>4,358</u>	<u>9,603</u>
<u>Unaudited</u>			
<b>Balance at 1 October 2020</b>	5,245	3,737	8,982
Profit for the period, representing total comprehensive income for the period	-	50	50
<b>Balance at 31 March 2021</b>	<u>5,245</u>	<u>3,787</u>	<u>9,032</u>

## D. Consolidated interim statement of cash flows

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	S\$'000	S\$'000
	Unaudited	Unaudited
<b>Operating activities</b>		
Loss before tax	(1,107)	(807)
Adjustments for:		
Interest income	(2)	(2)
Interest expense on lease liabilities	104	117
Depreciation of property, plant and equipment	248	237
Depreciation of right-of-use assets	682	692
Amortisation of intangible assets	47	95
Amortisation of deferred grant income	(28)	(202)
Bad debts written off	1	-
Net foreign exchange loss	14	57
Loss on disposal of property, plant and equipment	-	23
Operating cash flows before movements in working capital	(41)	210
Inventories	(47)	360
Trade and other receivables	227	(280)
Contract assets	530	(210)
Trade and other payables	33	145
Contract liabilities	(347)	191
Cash generated from operations	355	416
Income tax paid	(64)	(80)
Interest paid on lease liabilities	(104)	(117)
Net cash generated from operating activities	187	219
<b>Investing activities</b>		
Purchase of property, plant and equipment	(102)	(33)
Interest received	2	2
Proceeds from disposal of property, plant and equipment	-	28
Net cash used in investing activities	(100)	(3)
<b>Financing activities</b>		
Dividends paid to non-controlling shareholders by subsidiary	(245)	-
Repayment of lease liabilities	(620)	(387)
Net cash used in financing activities	(865)	(387)
Net decrease in cash and cash equivalents	(778)	(171)
Cash and cash equivalents at beginning of year	8,775	9,193
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(14)	(57)
Cash and cash equivalents at end of period	7,983	8,965

## E. Notes to the condensed interim consolidated financial statements

### 1. Corporate information

GDS Global Limited (the "Company") is incorporated and domiciled in Singapore. The Company was listed on the Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 19 April 2013. 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 of the Group are manufacturing of metal doors, windows and door frames, grilles and grating, trading of production components and retail sale of metal doors via the internet.

### 2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 March 2022 have been prepared in accordance with SFRS(I) 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 annual 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 financial statements are expressed in Singapore dollars, and all values are rounded to the nearest thousand (\$'000) except where otherwise stated.

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

On 1 October 2021, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new / revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

#### 2.2. 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 30 September 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.

In the process of applying the Group's accounting policies, management has not made any judgements that will have a most significant effect on the amounts recognised in the financial statements, apart from those involving estimations as discussed below.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

##### Loss allowance

The Group measures allowance based on an assessment of the recoverability of trade and other receivables and contract assets where events or changes in circumstances indicate that the balances may not be collectible with supportable forward-looking information. The estimation of loss allowance requires the use of judgement and estimates. Where the expectation is different from the original estimate, such differences will impact the carrying value of trade and other receivables, contract assets and loss allowance expenses in the period in which such estimate has been changed.

Management monitors outstanding receivables and the financial health of customers, particularly those of larger debtors. Where there are indications that raises doubt about the financial health of customers, management takes proactive steps to recover outstanding debts. Management assesses and determines the loss allowance by calculating the expected future receipts from customers based on past payment trends, relative age of the debtors, knowledge of the customers' business and its financial condition, and forward-looking adjustments based on macroeconomic factors.

As at 31 March 2022, the Group has trade receivables amounting to S\$1,388,000 (30 September 2021: S\$1,608,000) and contract assets amounting to S\$543,000 (30 September 2021: S\$1,073,000). There is no loss allowance for trade receivables and contract assets as at 31 March 2022 and 30 September 2021.

#### Impairment of goodwill

The recoverable amount is based on the value in use of the cash-generating unit. The value in use methodology that is based on cash flow forecasts requires significant management's judgement about future market conditions, including growth rates and discount rates. The carrying amount of goodwill at the end of the reporting period was S\$659,000 (30 September 2021: S\$659,000). Details of the impairment assessment are provided in Note 11.

#### Allowance for inventory obsolescence and inventory written-off

At the end of each reporting period, management assesses and determines whether allowance for inventory obsolescence is required, taking into consideration the usability, market demand and market value of the inventory. For spare parts that are in usable condition but market value and demand are diminishing, allowance for inventory obsolescence will be made over time.

Arising from the reviews, management sets up the necessary allowance for obsolete and slow-moving inventories for any shortfall in the net realisable value of the inventories. Based on management's assessment, there was no allowance for inventory obsolescence and inventory written-off during the current reporting period.

#### Impairment of non-current assets

The recoverable amount is based on the value in use of the cash-generating unit, to which the assets belong to. The value in use methodology that is based on cash flow forecasts requires significant management's judgement about future market conditions, including growth rates and discount rates.

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.

### **3. Seasonal operations**

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

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

#### **By business segment**

The Group operates and manages its business primarily as a single operating segment in the manufacture and supply of doors and shutter systems, provision of service and maintenance works and trading of production component products. As such, no operating segmental revenue and results have been prepared. The Group's chief operating decision maker reviews the consolidated results prepared based on the Group's accounting policies when making decisions, including the allocation of resources and assessment of performance of the Group.

#### 4.1. Disaggregation of Revenue

A disaggregation of the Group's revenue for the period is as follows:

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	S\$'000	S\$'000
	Unaudited	Unaudited
<b>Type of revenue</b>		
Sale of doors and shutter systems	1,525	2,413
Trading of production components	3,035	2,144
Service and maintenance works	1,300	1,182
	<u>5,860</u>	<u>5,739</u>

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	S\$'000	S\$'000
	Unaudited	Unaudited
<b>Revenue recognised at a point in time:</b>		
Sale of doors and shutter systems	1,525	2,413
Trading of production components	3,035	2,144
Service and maintenance works	1,300	1,182
	<u>5,860</u>	<u>5,739</u>

#### By geographical segment

The Group operates mainly in the geographical areas of Singapore, Europe, Australia, United States of America, Middle East, Greater China and Others. The Group's revenue from external customers by geographical locations are as follows:

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	S\$'000	S\$'000
	Unaudited	Unaudited
<b>Revenue from external customers</b> <b>(based on location of products delivered)</b>		
Singapore	2,632	3,561
Europe	2,424	1,828
Australia	317	208
United States of America	179	72
Middle East	42	15
Greater China	4	-
Others	262	55
Total	<u>5,860</u>	<u>5,739</u>

	<b>Group</b>	
	<b>As at</b>	
	<b>31.03.2022</b>	<b>30.09.2021</b>
	S\$'000	S\$'000
	Unaudited	Audited
<b>Non-current assets</b>		
<b>(based on location of assets)</b>		
Singapore*	11,829	12,690

**\*Note:**

All non-current assets for the Group and Company reside in Singapore.

**5. Loss before taxation**

**5.1. Significant items**

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	S\$'000	S\$'000
	Unaudited	Unaudited
Other operating income:		
Sundry income	30	14
Grant income	96	367
	<u>126</u>	<u>381</u>
Interest revenue:		
Interest income from bank deposits	2	2
Interest expense on lease liabilities	(104)	(117)
Depreciation of property, plant and equipment	(248)	(237)
Depreciation of right-of-use assets	(682)	(692)
Amortisation of intangible assets	(47)	(95)
Net foreign exchange losses	(14)	(63)
Loss on disposal of property, plant and equipment	-	(23)

**6. Taxation**

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

	<b>Group</b>	
	<b>Six months ended 31 March</b>	
	<b>2022</b>	<b>2021</b>
	S\$'000	S\$'000
	Unaudited	Unaudited
Income tax expense comprises:		
- Current tax expense	65	39
- Deferred tax benefit	-	(8)
Total income tax expense	<u>65</u>	<u>31</u>

## 7. Loss per Share (“LPS”)

	<b>Group</b>	
	<b>Six months ended 31 March 2022</b>	<b>31 March 2021</b>
	Unaudited	Unaudited
Loss attributable to owners of the Company (S\$'000)	(1,362)	(928)
Weighted average number of ordinary shares ('000)	112,000	112,000
LPS - Basic and diluted (cents)	(1.22)	(0.83)

LPS is calculated based on loss attributable to owners of the Company divided by the weighted average number of ordinary shares in issue. There were no dilutive equity instruments for six months ended 31 March 2022 and 31 March 2021.

## 8. Dividends

There was no dividend paid during the six months ended 31 March 2022 and 31 March 2021.

## 9. Net Asset Value (“NAV”)

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.03.2022</b>	<b>30.09.2021</b>	<b>31.03.2022</b>	<b>30.09.2021</b>
	Unaudited	Unaudited	Unaudited	Unaudited
NAV per ordinary share (cents)	9.79	10.99	8.57	8.30
Number of ordinary shares used in computation of NAV per ordinary share ('000)	112,000	112,000	112,000	112,000

## 10. Property, Plant and Equipment

During the six months ended 31 March 2022, the Group acquired S\$102,000 (31 March 2021: S\$33,000) of property, plant and equipment at cost and the net book value disposed was S\$Nil (31 March 2021: S\$51,000).

## 11. Intangible assets

Intangible assets comprise of patent, goodwill and other intangible assets acquired or acquired in a business combination. Other intangible assets relate to a subsidiary's website.

As at 31 March 2022, the carrying amount of patent, goodwill and other intangible assets are S\$654,000 (30 September 2021: S\$701,000), S\$659,000 (30 September 2021: S\$659,000), S\$94,000 (30 September 2021: S\$94,000) respectively.

The patent has a finite useful life. Amortisation is charged using the straight-line method over its estimated useful life of 18 years.

Goodwill acquired in a business combination is allocated to the cash generating units ("CGUs") that are expected to benefit from that business combination.

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. On annual basis, the Group prepares cash flow forecasts approved by management for the next five years based on estimated revenue and growth rate.

## 12. Share capital

<b>Group and Company</b>			
<b>Number of ordinary shares</b>		<b>Issued and paid up</b>	
<b>As at</b>		<b>As at</b>	
<b>31.03.2022</b>	<b>30.09.2021</b>	<b>31.03.2022</b>	<b>30.09.2021</b>
'000	'000	S\$'000	S\$'000
Unaudited	Audited	Unaudited	Audited
Issued and paid up:			
At the beginning and end of			
the interim period			
112,000	112,000	5,245	5,245

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

The Company has no subsidiary holdings and treasury shares as at 31 March 2022 and 31 March 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 March 2022 and 31 March 2021.

There were no changes to the Company's share capital as at 31 March 2022 and 30 September 2021. There were no outstanding convertibles or treasury shares as at 31 March 2022 and 31 March 2021.

**Other Information Required by Catalist Rule  
Appendix 7C**

## F. OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of the GDS Global Limited and its subsidiaries as at 31 March 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

The Group's latest audited financial statements for the financial year ended 30 September 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

### 2. Review of performance of the Group

#### **Review of the Group's Financial Performance**

##### **Revenue**

For the sales of doors and shutter systems, the Group typically experiences a fluctuation in revenue contribution from its customers from period to period due to the project-based nature of its business. The Group's projects differ in their scope and size and are typically non-recurring.

The Group's revenue for the six-month period ended 31 March 2022 ("1H2022") was S\$5.86 million, a marginal increase of S\$0.12 million or 2.1% as compared to S\$5.74 million for the corresponding six-month period ended 31 March 2021 ("1H2021").

The increase in revenue of S\$0.12 million was mainly due to:

- (i) an increase in trading of production components of S\$0.89 million;
- (ii) an increase in provision of service and maintenance work of S\$0.12 million; and offset by
- (iii) a decrease in sales of door and shutter systems of S\$0.89 million.

The decrease in sales of door and shutter systems of S\$0.89 million was attributable to the decrease in sales of manufactured products.

The marginally higher revenue recorded in 1H2022 was mainly due to

- (i) the gradual recovery from the Covid-19 pandemic resulted an improved demand on the trading of production components; and
- (ii) there were some one-off service and repair works carried out in 1H2022.

However, the door and shutter systems which recorded a lower revenue in 1H2022 was mainly due to higher revenue recognised for larger contract value projects in 1H2021 which were not recurring in 1H2022.

##### **Cost of sales**

Cost of sales increased by S\$0.41 million or 10.4% from S\$3.96 million in 1H2021 to S\$4.37 million in 1H2022 mainly due to increase in material costs of S\$0.46 million, partially offset by a decrease in overhead, sub-contractor and labour cost of S\$0.05 million.

##### **Gross profit**

Gross profit decreased by S\$0.29 million or 16.4% from S\$1.78 million in 1H2021 to S\$1.49 million in 1H2022. Gross profit margin decreased from 31.0% in 1H2021 to 25.4% in 1H2022. The lower gross profit margin in 1H2022 was mainly due to overall increase in raw material costs amidst supply chain and logistics disruption globally.

### **Other operating income**

Other operating income decreased by S\$0.25 million or 66.9% from S\$0.38 million in 1H2021 to S\$0.13 million in 1H2022. The lower other operating income in 1H2022 was mainly due to the absence of government grants such as the Jobs Support Scheme and foreign workers' levy waiver as Singapore moves towards recovery from the Covid-19 pandemic.

### **Marketing and distribution expenses**

Marketing and distribution expenses increased by S\$0.05 million or 34.5% from S\$0.15 million in 1H2021 to S\$0.20 million in 1H2022. The increase in marketing and distribution expenses was primarily due to an increase in freight charges.

### **Administrative expenses**

Administrative expenses decreased by S\$0.20 million or 8.3% from S\$2.48 million in 1H2021 to S\$2.28 million in 1H2022. The decrease in administrative expenses was due to lower personnel cost, intangible assets amortization and professional fees of S\$0.26 million in aggregate and this was partially offset by an increase in staff welfare, insurance and depreciation of property, plant and equipment which amounted to S\$0.07 million in aggregate.

### **Other operating expenses**

Other operating expenses decreased by S\$7,000 or 5.0% from S\$139,000 in 1H2021 to S\$132,000 in 1H2022. The decrease in other operating expenses was mainly due to a decrease in research and development expense of S\$20,000 and it is partially offset by an increase in repair and maintenance expense of S\$12,000.

### **Interest revenue**

Interest revenue comprising interest income from bank deposits placed with financial institution, remains unchanged at S\$2,000 for both 1H2022 and 1H2021.

### **Other gains and losses**

Other gains and losses decreased from a S\$0.09 million loss in 1H2021 to a S\$0.01 million loss in 1H2022. The decrease in other gains and losses was mainly due to a decrease in net foreign exchange loss of S\$0.06 million arising from the translation of trade receivables and bank balances denominated in US dollar during 1H2022, which was partially offset by a decrease in loss on disposal of property, plant and equipment of S\$0.02 million.

### **Finance costs**

Finance costs decreased by S\$0.02 million or 11.1% from S\$0.12 million in 1H2021 to S\$0.10 million in 1H2022. The decrease in finance costs was mainly due to lower finance cost recognised in 1H2022 in relation to lease liabilities.

### **Income tax expense**

The income tax expenses increased by S\$0.03 million from S\$0.03 million to S\$0.06 million. The increase in income tax expense was mainly due to higher taxable profit in 1H2022.

### **Loss for the period**

As a result of the above, the Group reported a loss of S\$1.17 million for 1H2022, as compared to a loss of S\$0.84 million for 1H2021.

## **Review of the Group's Financial Position**

### **Current assets**

Current assets decreased by S\$1.50 million from S\$13.79 million as at 30 September 2021 to S\$12.29 million as at 31 March 2022. The decrease in current assets was mainly due to:

- (i) a decrease in cash and cash equivalents of S\$0.79 million;
- (ii) a decrease in contract assets of S\$0.53 million; and
- (iii) a decrease in trade and other receivables of S\$0.23 million, which were partially offset by;
- (iv) an increase in inventories of S\$0.05 million.

**Non-current assets**

Non-current assets decreased by S\$0.86 million from S\$12.69 million as at 30 September 2021 to S\$11.83 million as at 31 March 2022. The decrease in non-current assets was mainly due to lower net book value in property, plant and equipment, rights-of-use assets and intangible assets arising from depreciation and amortization charges.

**Current liabilities**

Current liabilities decreased by S\$0.27 million from S\$3.55 million as at 30 September 2021 to S\$3.28 million as at 31 March 2022. The decrease in current liabilities was mainly due to a decrease in contract liabilities of S\$0.35 million which was partially offset by an increase in lease liabilities of S\$0.06 million.

**Non-current liabilities**

Non-current liabilities decreased by S\$0.69 million from S\$8.78 million as at 30 September 2021 to S\$8.09 million as at 31 March 2022. The decrease in non-current liabilities was mainly due to a decrease in lease liabilities of S\$0.66 million.

**Capital, reserves and non-controlling interests**

Total equity decreased by S\$1.41 million from S\$14.16 million as at 30 September 2021 to S\$12.75 million as at 31 March 2022.

**Review of the Group's Cash Flows****Net cash from operating activities**

In 1H2022, the Group utilised cash from operating activities before changes in working capital of S\$0.04 million. The Group's net working capital inflow amounted to S\$0.40 million and was mainly due to the decrease in contract assets of S\$0.53 million, decrease in trade and other receivables of S\$0.23 million and increase in trade and other payables of S\$0.03 million, partially offset by a decrease in contract liabilities of S\$0.35 million and increase in inventories of S\$0.04 million.

**Net cash used in investing activities**

Net cash used in investing activities amounted to S\$0.10 million, mainly due to the purchase of property, plant and equipment.

**Net cash used in financing activities**

Net cash used in financing activities was S\$0.87 million which was mainly due to the repayment of lease liabilities of S\$0.62 million and payment of dividend to non-controlling shareholders by a subsidiary of S\$0.25 million.

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

The Group's financial results for 1H2022 are in line with the Company's trends and competitive conditions previously disclosed in the Company's announcement dated 18 November 2021 in relation to its full year results for year ended 30 September 2021.

**4. 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 operating period and the next 12 months**

The door and shutter industry continues to be competitive and challenging.

While we move towards living with Covid-19, we have already been impacted by the rapid and significant rise in costs especially relating to steel materials. In addition, the supply chain and logistic disruption amidst the global on-off lockdowns has inflated freight charges and other raw material costs. The on-going conflict between Russian and Ukraine has further exacerbated the energy crisis, leading to an increase in energy cost.

In view of the above, the Board expects the Group's prospects to remain challenging and clouded with uncertainty in the months ahead. However, with the gradual re-opening of borders, we expect the Group's sales and marketing efforts in overseas markets to resume. At the same time, the Group will continue to focus on innovations and improving its production efficiency to stay competitive. It will also leverage on technology in enhancing its distribution channels and will continually evaluate strategies to navigate through these market uncertainties.

**5. Dividend information**

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No

Name of Dividend	Not applicable
Dividend type Dividend per share Tax rate	Not applicable

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

Name of Dividend	Not applicable
Dividend type Dividend per share Tax rate	Not applicable

5c. Date Payable

Not applicable

5d. Books Closure Date

Not applicable

5e. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared / recommended for the current financial period reported on, as it is the Company's practice to consider dividend declaration / recommendation (if any) during the full year financial period.

**6. Interested person transactions**

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

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

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

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

On behalf of the Board of Directors

**Wong Lok Yung**

**Chairman and Chief Executive Officer**

**Wu Chiaw Ching**

**Lead Independent Non-Executive Director**

Singapore

12 May 2022