

**UNAUDITED FINANCIAL STATEMENTS FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 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.

The contact person for the Sponsor is Mr Howard Cheam Heng Haw (Telephone: +65 6232 0685) at R & T Corporate Services Pte. Ltd., 9 Straits View, Marina One West Tower, #06-07, Singapore 018937.

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

		Group 6 months ended		
	Note	30 Sep 2022	30 Sep 2021	Increase/ (Decrease)
		\$'000	\$'000	%
<u>Continuing operations</u>				
Revenue	N4.1	5,891	4,573	29
Cost of sales		(5,404)	(3,946)	37
Gross profit		487	627	(22)
Other income		226	794	(72)
Selling and distribution expenses		(223)	(125)	78
Administrative expenses		(3,931)	(3,325)	18
Finance costs		(86)	(57)	51
Loss before tax from continuing operations	N6	(3,527)	(2,086)	69
Tax expense	N7	-	-	-
Loss from continuing operations, net of tax		(3,527)	(2,086)	69
<u>Discontinued operations</u>				
Loss from discontinued operations, net of tax		-	(25)	(100)
Loss for the period		(3,527)	(2,111)	67
Other comprehensive (loss)/income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences		(380)	393	N/M
Total comprehensive loss for the period		(3,907)	(1,718)	N/M
Loss for the period attributable to:				
Owners of the Company				
Loss from continuing operations		(3,437)	(2,058)	67
Loss from discontinued operations		-	(25)	(100)
Non-controlling interests		(90)	(28)	N/M
		(3,527)	(2,111)	67
Total comprehensive (loss)/income for the period attributable to:				
Owners of the Company				
Loss from continuing operations		(3,773)	(1,501)	N/M
Loss from discontinued operations		-	(490)	(100)
Non-controlling interests		(134)	273	N/M
		(3,907)	(1,718)	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	
	30 Sep 2022	30 Sep 2021
	cents per share	cents per share
Loss per share from continuing operations attributable to owners of the Company		
-Basic		
-Diluted	(0.064)	(0.038)
	(0.064)	(0.038)
Loss per share attributable to owners of the Company		
-Basic	(0.066)	(0.039)
-Diluted	(0.066)	(0.039)

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		30-Sep-2022	31-Mar-2022	30-Sep-2022	31-Mar-2022
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	N10	6,722	7,229	4	16
Right-of-use assets		3,736	3,835	2,041	2,061
Investment properties	N11	16,457	17,987	-	-
Subsidiaries		-	-	41,923	41,922
Financial assets at fair value through profit or loss		*	*	-	-
		26,915	29,051	43,968	43,999
Current assets					
Development properties	N12	30,814	31,141	-	-
Prepayments, trade and other receivables		5,159	5,867	22,803	22,245
Contract assets		*	-	-	-
Inventories	N13	5,360	5,943	-	-
Cash and cash equivalents		8,705	11,127	2,742	4,274
		50,038	54,078	25,545	26,519
Total assets		76,953	83,129	69,513	70,518
LIABILITIES					
Non-current liabilities					
Loans and borrowings	N14	2,603	2,684	-	-
Deferred tax liabilities		1,399	1,479	-	-
		4,002	4,163	-	-
Current liabilities					
Trade and other payables		3,720	5,002	225	247
Loans and borrowings	N14	1,673	2,497	-	-
Income tax payable		17	19	-	-
		5,410	7,518	225	247
Total liabilities		9,412	11,681	225	247
Net assets		67,541	71,448	69,288	70,271
EQUITY					
Share capital	N15	103,171	103,171	103,171	103,171
Foreign currency translation reserve		(7,751)	(7,415)	-	-
Accumulated losses		(36,751)	(33,314)	(33,883)	(32,900)
Equity holders of the company		58,669	62,442	69,288	70,271
Non-controlling interests		8,872	9,006	-	-
Total equity		67,541	71,448	69,288	70,271
Total equity and liabilities		76,953	83,129	69,513	70,518

*Amounts less than \$1,000

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Share capital	Foreign currency translation reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total
<u>Group</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1-Apr-2022	103,171	(7,415)	(33,314)	62,442	9,006	71,448
Loss for the period	-	-	(3,437)	(3,437)	(90)	(3,527)
Other comprehensive loss	-	(336)	-	(336)	(44)	(380)
Total comprehensive loss for the period	-	(336)	(3,437)	(3,773)	(134)	(3,907)
Balance at 30-Sep-2022	103,171	(7,751)	(36,751)	58,669	8,872	67,541
Balance at 1-Apr-2021	103,171	(7,018)	(31,521)	64,632	8,988	73,620
Loss for the period	-	-	(2,083)	(2,083)	(28)	(2,111)
Other comprehensive income	-	92	-	92	301	393
Total comprehensive income/(loss) for the period	-	92	(2,083)	(1,991)	273	(1,718)
Balance at 30-Sep-2021	103,171	(6,926)	(33,604)	62,641	9,261	71,902

	Share capital	Accumulated losses	Total
<u>Company</u>	\$'000	\$'000	\$'000
Balance at 1-Apr-2022	103,171	(32,900)	70,271
Loss for the period, representing total comprehensive loss for the period	-	(983)	(983)
Balance at 30-Sep-2022	103,171	(33,883)	69,288
Balance at 1-Apr-2021	103,171	(31,327)	71,844
Loss for the period, representing total comprehensive loss for the period	-	(1,086)	(1,086)
Balance at 30-Sep-2021	103,171	(32,413)	70,758

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Group	6 months ended	
	30 Sep 2022 \$'000	30 Sep 2021 \$'000
Cash flows from operating activities		
Loss before tax from continuing operations	(3,527)	(2,086)
Loss before tax from discontinued operations	-	(25)
	(3,527)	(2,111)
Adjustments for:		
Depreciation of property, plant and equipment	318	337
Depreciation of right-of-use assets	50	63
Depreciation of investment property	239	238
Gain on winding up of subsidiary	-	(508)
Gain on disposal of property, plant and equipment	-	(3)
Interest expense from continuing operations	86	57
Interest income	(138)	(47)
Inventories written (back)/off	(53)	13
Reversal of provision for expected credit loss on trade receivables	-	(122)
Right-of-use assets written off	-	(1)
Unrealised foreign exchange differences	611	1,465
Impairment loss on development properties	203	-
Operating loss before working capital changes	(2,211)	(619)
Changes in operating assets and liabilities		
Decrease/(increase) in development properties	124	(840)
Decrease/(increase) in inventories	635	(1,434)
Increase in trade and other receivables	708	2,682
Decrease in trade and other payables	(1,274)	(1,799)
Cash used in operations	(2,018)	(2,010)
Interest income received	138	47
Income tax (paid)/refund	-	(1)
Net cash used in operating activities	(1,880)	(1,964)
Cash flows from investing activities		
Additions to investment properties	-	(121)
Purchase of property, plant and equipment and right-of-use assets	(113)	-
Proceeds from disposal of property, plant and equipment	-	3
Net cash used in investing activities	(113)	(118)
Cash flows from financing activities		
Repayments of loans and borrowings	(3,475)	(794)
Proceeds from loans and borrowings	2,601	838
Interest paid	(86)	(57)
Principal element of lease payments	(17)	(19)
Net cash used in financing activities	(977)	(32)
Net decrease in cash and cash equivalents	(2,970)	(2,114)
Cash and cash equivalents at beginning of the period	11,130	11,299
Effect of exchange rate changes on cash and cash equivalents	548	69
Cash and cash equivalents at end of the period	8,708	9,254

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

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

Group	30 Sep 2022	30 Sep 2021
	\$'000	\$'000
Cash and bank balances	4,109	4,103
Fixed deposits	4,596	5,148
Cash and cash equivalents as per consolidated statement of financial position	8,705	9,251
Cash and cash equivalents		
- Continuing operations	8,705	9,156
- Discontinued operations	-	95
- Disposal group assets classified as held for sale	3	3
Cash and cash equivalents as per consolidated statement of cash flows	8,708	9,254

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 30 September 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 30 September 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 annual financial statements for the year ended 31 March 2022.

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 2022.

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

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	
	Investment	Door Business	Property Business	Door Business	Total
1 April 2022 to 30 September 2022	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue					
Sales - external	-	5,891	-	-	5,891
Segment loss	(1,006)	170	(2,831)	-	(3,667)
Other income					226
Finance costs					(86)
Loss before taxation					(3,527)
Income tax expense					-
Loss for the period					(3,527)
Consolidated total assets	4,837	24,969	47,147	-	76,953
Segment liabilities	225	1,215	2,280	-	3,720
-Deferred tax liabilities					1,399
-Income tax payable					17
-Borrowings, secured					4,276
Consolidated total liabilities					9,412
<u>Other segment items</u>					
Depreciation of property, plant and equipment	12	306	-	-	318
Depreciation on right-of-use assets	20	30	-	-	50
Depreciation on investment property	-	49	190	-	239
Inventories written back	-	(53)	-	-	(53)
Impairment loss on development property	-	-	203	-	203

	Continuing operation			Discontinued operation	
1 April 2021 to 30 September 2021	Investment	Door Business	Property Business	Door Business	Total
Segment revenue	\$'000	\$'000	\$'000	\$'000	\$'000
Sales - external	-	4,573	-	-	4,573
Segment loss	(1,098)	(302)	(1,423)	(25)	(2,848)
Other income					794
Finance costs					(57)
Loss before taxation					(2,111)
Income tax expense					-
Loss for the period					(2,111)
Consolidated total assets	7,907	24,026	49,412	-	81,345
Segment liabilities	194	1,786	2,496	-	4,476
-Deferred tax liabilities	-	1,575	-	-	1,575
-Borrowings	-	3,392	-	-	3,392
Consolidated total liabilities					9,443
Other segment items					
Depreciation of property, plant and equipment	26	311	-	-	337
Depreciation on right-of-use assets	20	43	-	-	63
Depreciation on investment property	-	49	189	-	238
Gain on disposal of property, plant and equipment	-	(3)	-	-	(3)
Inventories written down	-	13	-	-	13

N4.1 Revenue and Geographical segments

	Group Revenue	
	6 months ended	
	30 September 2022	30 September 2021
	\$'000	\$'000
<i>Recognised at a point in time</i>		
Sale of goods	5,891	4,573

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

	Group Revenue	
	6 months ended	
	30 September 2022	30 September 2021
	\$'000	\$'000
United Kingdom	5,217	4,510
Ireland	674	63
United States of America	-	-
	5,891	4,573

	Group Non-current assets	
	30 September 2022	31 March 2022
	\$'000	\$'000
Singapore	5,201	5,282
Malaysia	8,412	8,987
Australia	13,302	14,782
Indonesia	-	-
	26,915	29,051

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 30 September 2022 and 31 March 2022:

	Group		Company	
	30 September 2022	31 March 2022	30 September 2022	31 March 2022
Financial assets				
Financial assets at amortised cost:	\$'000	\$'000	\$'000	\$'000
- Trade and other receivables	5,113	5,278	22,760	22,197
- Cash and cash equivalents	8,705	11,127	2,742	4,274
Financial asset at fair value through profit or loss	*	*	-	-
	13,818	16,405	25,502	26,471
Financial liabilities				
Financial liabilities at amortised cost:				
- Trade and other payables	3,715	4,979	225	230
- Interest bearing borrowings				
-Foreign currency loan against import and Banker acceptance	1,518	2,324	-	-
-Term loan	3,440	3,562	-	-
- Lease liabilities	38	50	-	-
	8,711	10,915	225	230
	5,107	5,490	25,227	26,241

*Amounts less than \$1,000

N6. Loss before tax from continuing operations

The following items have been included in arriving at loss from continuing operations:

	Group	
	6 months ended	
	30 September	30 September
	2022	2021
	\$'000	\$'000
Depreciation of property, plant and equipment	318	337
Depreciation of right-of-use assets	50	63
Depreciation of investment properties	239	238
Interest expense	86	57
Interest income	(138)	(47)
Government grants and incentives	(5)	(12)
Gain on disposal of property, plant and equipment	-	(3)
Gain on winding up of subsidiary	-	(508)
Foreign currency exchange loss	1,194	766
Inventories written (back)/down	(53)	13
Impairment loss on development properties	203	-

N7. Taxation

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

	Group	
	6 months ended	
	30 September	30 September
	2022	2021
	\$'000	\$'000
Current tax expense		
-current year	-	-
	-	-
Income tax attributable to continuing operations	-	-
Income tax attributable to discontinued operation	-	-
Income tax expense recognised in profit or loss	-	-

N8. Dividends

No interim dividend has been proposed for the periods ended 30 September 2022 and 30 September 2021.

N9. Net asset value

	Group		Company	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	Cents	Cents	Cents	Cents
Net asset value per share based on existing issued share capital as at end of period/year	1.09	1.16	1.29	1.31

Net asset value per ordinary share is calculated based on 5,380,556,316 shares as at 30 September 2022 (31 March 2022: 5,380,556,316).

N10. Property, plant and equipment

During the six months ended 30 September 2022, the Group acquired assets amounting to \$113,313 (30 September 2021: \$ Nil) and disposed of assets with a net book value amounting to \$190 (30 September 2021: \$ Nil)

N11. Investment properties

	Group	
	30 September	31 March
	2022	2022
	\$'000	\$'000
Cost		
As at 1 April	19,907	15,245
Addition	-	119
Transfer from development properties	-	-
Transfer from right-of-use assets	-	4,645
Currency translation differences	(1,343)	(102)
As at 30 September / 31 March	<u>18,564</u>	<u>19,907</u>
Accumulated depreciation		
As at 1 April	1,920	93
Depreciation charge for the year	239	479
Transfer from right-of-use assets	-	1,343
Currency translation differences	(52)	5
As at 30 September / 31 March	<u>2,107</u>	<u>1,920</u>
Net carrying amount	<u>16,457</u>	<u>17,987</u>

During the financial year ended 31 March 2022, the Group transferred cost and accumulated depreciation of \$4,644,948 and \$1,342,892 from right-of-use assets to investment property due to a change in use of the leasehold building located in Singapore and in compliance with SFRS(I) 1-40.

The investment properties held by the Group as at 30 September 2022 are 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 held by the Group in Australia and Singapore are valued at \$18,064,200 and \$3,300,000 respectively. Both valuations were performed based on the highest and best use. These 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. Management has made an internal assessment and are of the view that there are no material changes to the fair value as at 30 September 2022.

N12. Development properties

	Group	
	30 September	31 March
	2022	2022
	\$'000	\$'000
<i>Land use rights designated as part of development properties</i>		
As at 1 April	10,489	8,921
Depreciation of right-of-use asset capitalized	918	1,835
Impairment loss on land	(203)	(453)
Currency translation differences	(40)	186
As at 30 September / 31 March	<u>11,164</u>	<u>10,489</u>
Net carrying amount of land use rights (Note A)	<u>19,650</u>	<u>20,652</u>
Total	<u>30,814</u>	<u>31,141</u>

Note A

Land use rights designated as part of development properties relate to right-of-use assets (“ROUA”) on the land held by a subsidiary of the Group. Depreciation of ROUA recognised during the year is subsequently capitalised under development properties. The movement of ROUA in relation to land use rights is shown below.

	Group
	\$'000
<i>Land use rights designated as part of development properties</i>	
Cost	
At 31 March 2021	27,829
Exchange difference	555
At 31 March 2022	<u>28,384</u>
Exchange difference	(113)
At 30 September 2022	<u>28,271</u>
Accumulated depreciation	
At 31 March 2021	5,771
Depreciation charge	1,835
Exchange difference	126
At 31 March 2022	<u>7,732</u>
Depreciation charge	918
Exchange difference	(29)
At 30 September 2022	<u>8,621</u>
Net carrying amount	
At 31 March 2022	20,652
At 30 September 2022	19,650

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 has recognised an impairment loss of \$202,601 on land held for redevelopment as at 30 September 2022.

N13. Inventories

	Group	
	30 September	31 March
	2022	2022
	\$'000	\$'000
Finished goods	1,032	1,780
Work-in-progress	1,631	1,477
Raw materials	2,697	2,686
	<u>5,360</u>	<u>5,943</u>

During the six months ended 30 September 2022, the Group recognised inventories written back of \$52,968.

N14. Loans and borrowings

	Group	
	30 September	31 March
	2022	2022
	\$'000	\$'000
Current		
Lease liabilities	16	28
Loans and borrowings:		
-Bankers' acceptance	105	237
-Foreign currency loan against import	1,390	2,070
-Term loan	162	162
	<u>1,673</u>	<u>2,497</u>
Non-current		
Lease liabilities	19	19
Loans and borrowings:		
-Term loan	2,584	2,665
	<u>2,603</u>	<u>2,684</u>
Total loans and borrowings	<u>4,276</u>	<u>5,181</u>

Amount repayable in one year or less, or on demand

As at 30 September 2022		As at 31 March 2022	
Secured	Unsecured	Secured	Unsecured
(\$'000)	(\$'000)	(\$'000)	(\$'000)
1,673	-	2,497	-

Amount repayable after one year

As at 30 September 2022		As at 31 March 2022	
Secured	Unsecured	Secured	Unsecured
(\$'000)	(\$'000)	(\$'000)	(\$'000)
2,603	-	2,684	-

Details of collateral

The banker's acceptance and foreign currency loan against import of the Group is secured by the following:-

- corporate guarantee from the Company;
- negative pledge over certain assets of the Group; and
- legal charges over certain properties of the Group.

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

- legal charges over one of the Group's investment properties in Singapore; and
- corporate guarantee from the Company.

N15. Share Capital

	Company			
	30 September 2022		31 March 2022	
	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 six months ended 30 September 2022.

The Company did not hold any treasury shares and there were no subsidiary holdings of the Company as of 30 September 2022 and 30 September 2021.

The Company did not hold any other outstanding convertible securities as at 30 September 2022 and 30 September 2021.

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	
	30 September 2022	31 March 2022
	\$	\$
	Level 1	Level 1
Recurring fair value measurement		
Financial assets at fair value through profit or loss	144	144

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 the six months ended 30 September 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 six months ended 30 September 2022.

There were no subsidiary holdings of the Company as at 30 September 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	
	30 September 2022	30 September 2021
Loss per share	Cents	Cents
- basic	(0.064)	(0.039)
- diluted	(0.064)	(0.039)

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 period ended 30 September 2022 (30 September 2021: 5,380,556,316 shares).

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

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 30 September 2022 and 30 September 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 30 September 2022 ("HYFY2023") as compared to the 6 months ended 30 September 2021 ("HYFY2022")

Continuing operations

Revenue

The Group registered revenue of \$5.89 million in HYFY2023, representing an increase of 29% as compared to \$4.57 million in HYFY2022. The increase was mainly due to (i) increase in the number of doors sold as there were no movement control orders imposed by the Malaysian Government during HYFY2023 and (ii) increase in the average selling price per door due to different product mix of the previous corresponding period. The factory in Johor, Malaysia was temporarily closed between 1 June 2021 to 13 September 2021, in compliance with the Malaysian Government's directive following the resurgence of COVID-19 cases in Malaysia.

Cost of sales and Gross Profit

Cost of sales increased by 37% to \$5.40 million in HYFY2023 as compared to \$3.95 million in HYFY2022. The increase in cost was mainly due to the worsening inflationary pressures which has resulted a significant increase in raw materials cost, factory overheads and labour costs associated in part to compliance with the increase in minimum wage requirements imposed in Malaysia.

The Group's gross profit decreased from \$0.63 million in HYFY2022 to \$0.49 million in HYFY2023. The Group's gross margin decreased from 14% in HYFY2022 to 8% in HYFY2023 due largely to the increase in cost of sales as explained above.

Other income

Other income decreased by 72% from \$0.79 million in HYFY2022 to \$0.23 million in HYFY2023. The decrease was largely due to the absence of a gain on voluntary liquidation of subsidiary and write back of expected credit loss on trade receivable which are recognised in HYFY2022. These were partially offset by an increase in interest income from the fixed deposit and the 6 months deed of extension of the investment (debt) and marketing agreement (which was previously announced on 13 July 2022 via SGXNet) in HYFY2023.

Selling and distribution expenses

Selling and distribution expenses increased by 78% from \$0.13 million in HYFY2022 to \$0.22 million in HYFY2023. The increase was primarily due to higher marketing support fee and travelling expenses due to the gradual removal of various movement restrictions in HYFY2023.

Administrative expenses

Administrative expenses increased by 18% from \$3.32 million in HYFY2022 to \$3.93 million in HYFY2023. The increase was mainly due to unrealized foreign exchange loss of \$1.19 million in HYFY2023 due to the weakening of the Australian Dollar against the Singapore dollar as compared to an unrealized foreign exchange loss of \$0.77 million in HYFY2022. In addition, an impairment loss on development properties of \$0.20 million was recognised in HYFY2023.

Finance costs

Finance costs increased by 51% from \$0.06 million in HYFY2022 to \$0.09 million in HYFY2023. The increase was mainly due to higher interest cost as a result of higher foreign currency loan against import drawn down balance as compared to HYFY2022.

Loss for the period HYFY2023

The Group recorded a loss of \$3.53 million in HYFY2023 from continuing operations as compared to a loss of \$2.09 million in HYFY2022.

Condensed Interim Statements of the Group's Financial position

Review of the Group's financial position as at 30 September 2022 as compared to 31 March 2022

Non-current assets

Investment properties decreased by 9% from \$17.99 million as at 31 March 2022 to \$16.46 million as at 30 September 2022. The decrease was mainly due to depreciation of investment property and the weakening of the Australian dollar relative to the Singapore dollar.

Current assets

Prepayments, trade and other receivables decreased by 12% from \$5.87 million as at 31 March 2022 to \$5.16 million as at 30 September 2022 mainly due to decrease in trade receivables due to collections received and lower prepayments.

Inventories decreased by 10% from \$5.94 million as at 31 March 2022 to \$5.36 million as at 30 September 2022 mainly due to decrease in finished goods as a result of lower sales orders received. Cash and cash equivalents decreased by 22% from \$11.13 million as at 31 March 2022 to \$8.71 million as at 30 September 2022 due to working capital purpose.

Current liabilities

Trade and other payables decreased by 26% from \$5.00 million as at 31 March 2022 to \$3.72 million as at 30 September 2022 mainly due to payments to suppliers and vendors, land tax instalments payments in Australia and accruals.

Borrowings decreased by 33% from \$2.50 million as at 31 March 2022 to \$1.67 million as at 30 September 2022. As a result of lower utilisation of the foreign currency loan against import due to lower sales orders received.

Equity

Total equity decreased by 5% from \$71.45 million as at 31 March 2022 to \$67.54 million as at 30 September 2022 mainly due to the loss recognized in HYFY2023.

Condensed Interim Consolidated Statement of Cash Flows

Review of the Group's cash flow statement for HYFY2023 as compared to HYFY2022

The Group's net cash used in operating activities for HYFY2023 was \$1.88 million as compared to \$1.97 million for HYFY2022. Net cash used in operating activities in HYFY2023 was mainly due to working capital use.

Net cash used in investing activities for HYFY2023 was \$0.11 million as compared to \$0.12 million for HYFY2022. Net cash used in investing activities in HYFY2023 was for purchase of plant and equipment.

Net cash used in financing activities for HYFY2023 was \$0.98 million as compared to \$0.03 million for HYFY2022. Net cash used in financing activities in HYFY2023 was mainly due to the higher payment of the loans and borrowings, lease payments and interest.

As a result of the above, the Group's cash and cash equivalents stood at \$8.71 million as at 30 September 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.

In the Group's first quarter Q1FY2023 Business Update on 30 August 2022, the Group highlighted signs of slowdown by existing United Kingdom ("UK") customers due to decline in disposable income because of high inflation rate, adversely affecting buying behavior. The office for National Statistics (UK) announced that *"the annual inflation rate in the UK rose to 10.1% in September of 2022 from 9.9% in August, returning to the 40-year high hit in July and surpassing market expectations of a 10% rate."* The UK has traditionally been the Group's main export market for Europe and the Group expects to see continued weakness in its demand for its premium high-quality timber doors. Raw materials and costs continue to increase due to ongoing macro-economic weakening and inflationary environment which continued to escalate after the Russian-Ukraine conflict, which shows no signs of abating. The Group has continuously been vigilant on costs and productivity and will continue to work with both old and develop new customers to help increase sales and order demand and maintain our position as a reliable and consistent manufacturer and supplier of high-quality timber doors.

The Group sees some encouraging signs for the Melbourne office market, the opening of tourism and return of overseas students which coincided with encouraging tenancy enquiries for its investment property and fully refurbished heritage building at Lincoln Square, Carlton. This building is situated near the University of Melbourne campuses, and the Group continues to work with Melbourne's leading realtors to rent out the building. In addition, the Group remains open to the Australia property development or investment market where there may be pockets of opportunities.

On 13 July 2022, the Company announced that in respect of 82 Westgarth, it had entered into a Deed of Extension of the IDMA with the Borrower whereby the tenure of the loan of A\$2,000,000 granted under the IDMA ("Loan") was extended for an additional 6 months from 13 July 2022 to 13 January 2023 at an interest rate of 9% per annum. The Borrower is required to repay the Loan and the interest accrued in full on or before 13 January 2023. The Company will make the necessary announcements on SGX-ST should there be material developments and/or payment is received.

For the Group's development property in Jakarta, the Group and its partners are still in the permit application stage for its development of land, which has been fully paid for and free from encumbrances. Despite this, the Company, together with its partners, will continue to be careful and vigilant to keep both permit costs and administrative costs to a minimum. In view of the uncertainty of the Jakarta property market, the Company has in these financial statements recorded an interim provision for impairment of the development property amounting to approximately S\$202,601.

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.

No dividend has been declared or recommended for the financial period as the Group was 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. Negative confirmation pursuant to Rule 705(5).

The undersigned Directors of the Company hereby confirm on behalf of the Board of Directors of the Company, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Company and the Group for the half-year ended 30 September 2022 to be false or misleading in any material aspect.

15. 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.

On behalf of the Board

Gloria Wong / Chia Fook Sam

Executive Director / Executive Director

14 November 2022