

**MYP Ltd.  
and its Subsidiaries**

**Registration Number: 200509721C**

Condensed Interim Financial Statements  
For the six months ended 30 September 2022

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(a) Condensed interim consolidated statement of comprehensive income

**Group**

|   | Note | 1 <sup>st</sup> half<br>FY2023<br>\$'000 | 1 <sup>st</sup> half<br>FY2022<br>\$'000 | Change<br>%        |
|---|------|--|--|--------------------|
| Revenue   | 7.1  | 8,230                                    | 7,906                                    | 4.1                |
| Depreciation expenses on plant and equipment                                  |      | (16)                                     | (27)                                     | (40.7)             |
| Staff costs   |      | (619)                                    | (547)                                    | 13.2               |
| Direct operating expenses of investment properties                            |      | (1,869)                                  | (1,786)                                  | 4.6                |
| Other operating expenses  |      | (295)                                    | (344)                                    | (14.2)             |
| <b>Results from operating activities</b>                                      |      | <b>5,431</b>                             | <b>5,202</b>                             | <b>4.4</b>         |
| Finance income  |      | 400                                      | 270                                      | 48.1               |
| Finance costs   |      | (4,099)                                  | (5,822)                                  | (29.6)             |
| Net finance costs   | 7.1  | (3,699)                                  | (5,552)                                  | (33.4)             |
| <b>Profit/(Loss) before taxation</b>  | 7    | <b>1,732</b>                             | <b>(350)</b>                             | <b>(&gt;100.0)</b> |
| Income tax expense  | 8    | (360)                                    | (58)                                     | >100.0             |
| <b>Profit/(Loss) for the period</b>   |      | <b>1,372</b>                             | <b>(408)</b>                             | <b>(&gt;100.0)</b> |
| <b>Other comprehensive income,<br/>net of tax</b>                             |      | -  | 1,662                                    | (100.0)            |
| <b>Total comprehensive income</b>   |      | <b>1,372</b>                             | <b>1,254</b>                             | <b>(&gt;100.0)</b> |
| Profit/(Loss) for the period attributable to:<br><b>Owners of the Company</b> |      | <b>1,372</b>                             | <b>(408)</b>                             | <b>(&gt;100.0)</b> |
| Total comprehensive income attributable to:<br><b>Owners of the Company</b>   |      | <b>1,372</b>                             | <b>1,254</b>                             | <b>(&gt;100.0)</b> |
| <i>n/m: not meaningful</i>  |      |  |  |                    |
| Earnings/(loss) per share, cents  |      |  |  |                    |
| Basic   |      | 0.09                                     | (0.03)                                   |                    |
| Diluted   |      | 0.09                                     | (0.03)                                   |                    |

*1<sup>st</sup> half (1H): six months period ended from 1 April to 30 September  
FY: Financial year ending or ended 31 March*

(b) Condensed interim statements of financial position

|                                     | Note | Group                 |                       | Company               |                       |
|-------------------------------------|------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                     |      | 30.09.2022            | 31.03.2022            | 30.09.2022            | 31.03.2022            |
|                                     |      | \$'000                | \$'000                | \$'000                | \$'000                |
| <b>Non-current assets</b>           |      |                       |                       |                       |                       |
| Plant and equipment                 | 11   | 86                    | 100                   | -                     | -                     |
| Other assets                        | 12   | 5,689                 | 5,689                 | -                     | -                     |
| Investments in subsidiaries         |      | -                     | -                     | 320,974               | 320,974               |
| Investment properties               | 13   | 568,250               | 568,250               | -                     | -                     |
|                                     |      | <u>574,025</u>        | <u>574,039</u>        | <u>320,974</u>        | <u>320,974</u>        |
| <b>Current assets</b>               |      |                       |                       |                       |                       |
| Trade and other receivables         |      | 4,276                 | 5,102                 | 405                   | 393                   |
| Cash and cash equivalents           |      | 94,545                | 93,494                | 155                   | 334                   |
|                                     |      | <u>98,821</u>         | <u>98,596</u>         | <u>560</u>            | <u>727</u>            |
| <b>Total assets</b>                 |      | <b><u>672,846</u></b> | <b><u>672,635</u></b> | <b><u>321,534</u></b> | <b><u>321,701</u></b> |
| <b>Equity</b>                       |      |                       |                       |                       |                       |
| Share capital                       |      | 255,318               | 255,318               | 262,106               | 262,106               |
| Other reserves                      |      | 46,677                | 46,677                | (456)                 | (456)                 |
| Accumulated losses                  |      | (14,357)              | (15,729)              | (24,148)              | (23,847)              |
| <b>Total equity</b>                 |      | <b><u>287,638</u></b> | <b><u>286,266</u></b> | <b><u>237,502</u></b> | <b><u>237,803</u></b> |
| <b>Non-current liabilities</b>      |      |                       |                       |                       |                       |
| Other payables                      |      | 654                   | 748                   | -                     | -                     |
| Bank borrowings – secured           | 14   | 322,583               | 322,297               | -                     | -                     |
|                                     |      | <u>323,237</u>        | <u>323,045</u>        | <u>-</u>              | <u>-</u>              |
| <b>Current liabilities</b>          |      |                       |                       |                       |                       |
| Trade and other payables            |      | 2,517                 | 3,963                 | 56,686                | 56,549                |
| Amount owing to a shareholder       |      | 58,899                | 58,987                | 27,343                | 27,346                |
| Current tax liabilities             |      | 555                   | 374                   | 3                     | 3                     |
|                                     |      | <u>61,971</u>         | <u>63,324</u>         | <u>84,032</u>         | <u>83,898</u>         |
| <b>Total liabilities</b>            |      | <b><u>385,208</u></b> | <b><u>386,369</u></b> | <b><u>84,032</u></b>  | <b><u>83,898</u></b>  |
| <b>Total equity and liabilities</b> |      | <b><u>672,846</u></b> | <b><u>672,635</u></b> | <b><u>321,534</u></b> | <b><u>321,701</u></b> |

(c) **Aggregate amount of the group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

| <b>As at 30.09.2022</b> |            | <b>As at 31.03.2022</b> |            |
|-------------------------|------------|-------------------------|------------|
| Secured                 | Unsecured  | Secured                 | Unsecured  |
| -                       | 58,899,000 | -                       | 58,987,000 |

**Amount repayable after one year**

| <b>As at 30.09.2022</b> |           | <b>As at 31.03.2022</b> |           |
|-------------------------|-----------|-------------------------|-----------|
| Secured                 | Unsecured | Secured                 | Unsecured |
| 322,583,000             | -         | 322,297,000             | -         |

**Details of any collateral:** The secured bank loan of the Group is secured over investment property with carrying amount of \$554,000,000 (31.03.2022: \$554,000,000).

(d) **Condensed interim consolidated statement of cash flows**

**Group**

|   | <b>1<sup>st</sup> half<br/>FY2023<br/>\$'000</b> | <b>1<sup>st</sup> half<br/>FY2022<br/>\$'000</b> |
|---|--|--|
| <b>Cash flow from operating activities</b>                    |  |  |
| Profit/(Loss) after tax                                       | 1,372  | (408)  |
| Adjustments for:  |  |  |
| Depreciation expenses on plant and equipment                  | 16   | 27   |
| Net finance costs   | 3,699  | 5,552  |
| Income tax expense  | 360  | 58   |
| <b>Operating cash flow before working capital changes</b>     | <b>5,447</b>                                     | <b>5,229</b>                                     |
| Changes in working capital:                                   |  |  |
| Trade and other receivables                                   | 825  | 5  |
| Trade and other payables                                      | (1,866)  | (75)   |
| Cash generated from operations                                | <b>4,406</b>                                     | <b>5,159</b>                                     |
| Income tax paid   | (179)  | (107)  |
| <b>Net cash generated from operating activities</b>           | <b>4,227</b>                                     | <b>5,052</b>                                     |
| <b>Cash flows from investing activities</b>                   |  |  |
| Placement of time deposit                                     | -  | (44,600)   |
| Interest income received                                      | 400  | 230  |
| <b>Net cash generated from/(used in) investing activities</b> | <b>400</b>                                       | <b>(44,370)</b>                                  |
| <b>Cash flows from financing activities</b>                   |  |  |
| Decrease in amount owing to a shareholder                     | (88)   | (80)   |
| Decrease in debt service reserve                              | -  | (184)  |
| Interest paid   | (3,489)  | (5,458)  |
| <b>Net cash used in financing activities</b>                  | <b>(3,577)</b>                                   | <b>(5,722)</b>                                   |
| <b>Net change in cash and cash equivalents</b>                | <b>1,050</b>                                     | <b>(45,040)</b>                                  |
| Cash and cash equivalents at the beginning of the period      | 91,895   | 124,759  |
| <b>Cash and cash equivalents at the end of the period</b>     | <b>92,945</b>                                    | <b>79,719</b>                                    |

### Note to consolidated statement of cash flows

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

|   | <b>1<sup>st</sup> half<br/>FY2023</b> | <b>1<sup>st</sup> half<br/>FY2022</b> |
|---|---------------------------------------|---------------------------------------|
|   | <b>\$'000</b>                         | <b>\$'000</b>                         |
| Cash at bank and on hand  | 36,346                                | 69,700                                |
| Fixed deposits  | 58,199                                | 11,999                                |
| <b>Cash and cash equivalents in the statement of financial position</b> | <b>94,545</b>                         | <b>81,699</b>                         |
| Less: Debt service reserve  | (1,600)                               | (1,980)                               |
| <b>Cash and cash equivalents in the statement of cash flows</b>         | <b>92,945</b>                         | <b>79,719</b>                         |

Debt service reserve represents bank balances maintained for the purpose of a bank loan obtained by a subsidiary.

### (e) Condensed interim statements of changes in equity

#### Group

|  | Share<br>capital<br>\$'000 | Capital<br>reserve<br>\$'000 | Hedging<br>reserve<br>\$'000 | Retained<br>earnings<br>\$'000 | Total<br>equity<br>\$'000 |
|--|----------------------------|------------------------------|------------------------------|--------------------------------|---------------------------|
| <b>At 1 April 2021</b>   | <b>255,318</b>             | <b>46,677</b>                | <b>(1,410)</b>               | <b>(19,487)</b>                | <b>281,098</b>            |
| Loss for the period  | -                          | -                            | -                            | (408)                          | (408)                     |
| Other comprehensive income                                       |                            |                              |                              |                                |                           |
| Effective portion of changes in fair value of cash flow hedges   | -                          | -                            | 1,662                        | -                              | 1,662                     |
| Total comprehensive income for the period                        | -                          | -                            | 1,662                        | (408)                          | 1,254                     |
| <b>At 30 September 2021</b>                                      | <b>255,318</b>             | <b>46,677</b>                | <b>252</b>                   | <b>(19,895)</b>                | <b>282,352</b>            |
| <b>At 1 April 2022</b>   | <b>255,318</b>             | <b>46,677</b>                | <b>-</b>                     | <b>(15,729)</b>                | <b>286,266</b>            |
| Profit for the period /Total comprehensive income for the period | -                          | -                            | -                            | 1,372                          | 1,372                     |
| <b>At 30 September 2022</b>                                      | <b>255,318</b>             | <b>46,677</b>                | <b>-</b>                     | <b>(14,357)</b>                | <b>287,638</b>            |

## Company

|  | Share capital  | Capital reserve | Retained earnings | Total equity   |
|--|----------------|-----------------|-------------------|----------------|
|  | \$'000         | \$'000          | \$'000            | \$'000         |
| <b>At 1 April 2021</b>   | <b>262,106</b> | <b>(456)</b>    | <b>(28,900)</b>   | <b>232,750</b> |
| Loss for the period/ Total comprehensive income for the period | -              | -               | (284)             | (284)          |
| <b>At 30 September 2021</b>                                    | <b>262,106</b> | <b>(456)</b>    | <b>(29,184)</b>   | <b>232,466</b> |
| <b>At 1 April 2022</b>   | <b>262,106</b> | <b>(456)</b>    | <b>(23,847)</b>   | <b>237,803</b> |
| Loss for the period/ Total comprehensive income for the period | -              | -               | (301)             | (301)          |
| <b>At 30 September 2022</b>                                    | <b>262,106</b> | <b>(456)</b>    | <b>(24,148)</b>   | <b>237,502</b> |

### (f) Changes in share capital

Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

| <u>Company</u>                 | Number of shares    |                     |
|--------------------------------|---------------------|---------------------|
|                                | As at<br>30.09.2022 | As at<br>30.09.2021 |
| At beginning and end of period | 1,592,469,212       | 1,592,469,212       |

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

### (g) Number of shares that may be issued at conversion of all outstanding convertibles

Not applicable.

### (h) Number of shares

Number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer.

Not applicable.

**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.**

| <u>Company</u>   | <u>As at<br/>30.09.2022</u> | <u>As at<br/>31.03.2022</u> |
|--|-----------------------------|-----------------------------|
| Total number of issued shares<br>(excluding treasury shares) | 1,592,469,212               | 1,592,469,212               |

There were no shares held as treasury shares as at 30 September 2022 and 31 March 2022.

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

Not applicable.



## (j) Notes to the condensed interim consolidated financial statements

These notes form an integral part of the condensed interim consolidated financial statements.

### 1. Corporate information

MYP Ltd. (the 'Company') is a company incorporated in Singapore and listed on the Singapore Exchange. The address of the Company's registered office is 9 Battery Road, #09-03 MYP Centre, Singapore 049910.

The condensed interim financial statements of the Group as at and for the six months ended 30 September 2022 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

The principal activity of the Company is that of investment holding. The principal activities of the Group are those of investment holding and investment in real estate assets.

### 2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 September 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 financial 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.

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

A number of amendments to Standards have become applicable for the current reporting period.

The Group has applied the following SFRS(I)s, amendments to and interpretation of SFRS(I) for the first time for the annual period beginning on 1 April 2022:

| Reference  | Description   |
|--|---|
| • Amendments to SFRS(I) 1-16                                 | <i>Property, Plant and Equipment - Proceeds before Intended Use</i> |
| • Amendments to SFRS(I) 1-37                                 | <i>Onerous Contracts - Cost of Fulfilling a Contract</i>            |
| • Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 | <i>Disclosure of Accounting Policies</i>                            |
| • Amendments to SFRS(I) 1-8                                  | <i>Definition of Accounting Estimates</i>                           |

The adoption of these new standards and amendments has no significant effect on the condensed consolidated interim financial statements of the Group.

## 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 financial 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 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 financial period are included in the following note:

- Note 6 – determination of fair values of investment properties (note 13) using significant unobservable inputs

## 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

### (a) Operating segments

No segment information by operating segment has been presented as the Group operates only the business of property investment in 1HFY2023.

### (b) Geographical segments

No segment information by geographical location has been presented as the Group's activities are primarily carried out in Singapore.

### (c) Information about major customers

Rental income of approximately \$7.2 million (1HFY2022: \$7.0 million) is derived from 6 (1HFY2022: 5) external tenants.

For the purpose of this disclosure, a major customer is defined as one in which revenue from transactions with a single customer amount to 3 per cent (1HFY2022: 3 per cent) or more of the Group's revenue.

### (d) Breakdown of revenue and operating profits/(losses)

|     | Group   | 1H FY2023<br>\$'000 | 1H FY2022<br>\$'000 | Change<br>% |
|-----|---|---------------------|---------------------|-------------|
| (a) | Sales reported for first half year                                  | 8,230               | 7,906               | 4.1         |
| (b) | Operating profit/(loss) after taxation reported for first half year | 1,372               | (408)               | (>100.0)    |

## 5. Financial assets and financial liabilities

### *Accounting classifications and fair values*

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| Group                                 | Carrying amount                              |  |                                       |                                 |
|---------------------------------------|--|--|---------------------------------------|---------------------------------|
|                                       | Financial assets at amortised cost<br>\$'000 | Fair value hedging instruments<br>\$'000 | Other financial liabilities<br>\$'000 | Total carrying amount<br>\$'000 |
| <b>30 September 2022</b>              |  |  |                                       |                                 |
| Trade and other receivables*          | 134  | –  | –                                     | 134                             |
| Cash and cash equivalents             | 94,545                                       | –  | –                                     | 94,545                          |
|                                       | <u>94,679</u>                                | <u>–</u>                                 | <u>–</u>                              | <u>94,679</u>                   |
| Bank borrowings – secured             | –  | –  | (322,583)                             | (322,583)                       |
| Trade and other payables <sup>#</sup> | –  | –  | (3,097)                               | (3,097)                         |
| Amount owing to a shareholder         | –  | –  | (58,899)                              | (58,899)                        |
|                                       | <u>–</u>                                     | <u>–</u>                                 | <u>(384,579)</u>                      | <u>(384,579)</u>                |

| Group                                 | Carrying amount                              |  |                                       |                                 |
|---------------------------------------|--|--|---------------------------------------|---------------------------------|
|                                       | Financial assets at amortised cost<br>\$'000 | Fair value hedging instruments<br>\$'000 | Other financial liabilities<br>\$'000 | Total carrying amount<br>\$'000 |
| <b>31 March 2022</b>                  |  |  |                                       |                                 |
| Trade and other receivables*          | 334  | –  | –                                     | 334                             |
| Cash and cash equivalents             | 93,494                                       | –  | –                                     | 93,494                          |
|                                       | <u>93,828</u>                                | <u>–</u>                                 | <u>–</u>                              | <u>93,828</u>                   |
| Bank borrowings – secured             | –  | –  | (322,297)                             | (322,297)                       |
| Trade and other payables <sup>#</sup> | –  | –  | (4,368)                               | (4,368)                         |
| Amount owing to a shareholder         | –  | –  | (58,987)                              | (58,987)                        |
|                                       | <u>–</u>                                     | <u>–</u>                                 | <u>(385,652)</u>                      | <u>(385,652)</u>                |

|                                  | Carrying amount                                       |                                       |   | Total<br>\$'000 |
|----------------------------------|---|---------------------------------------|---|-----------------|
|                                  | Financial<br>assets at<br>amortised<br>cost<br>\$'000 | Loans<br>and<br>receivables<br>\$'000 | Other<br>financial<br>liabilities<br>\$'000 |                 |
| <b>Company</b>                   |   |                                       |   |                 |
| <b>30 September 2022</b>         |   |                                       |   |                 |
| Trade and other receivables*     | 379   | –                                     | –   | 379             |
| Cash and cash equivalents        | 155   | –                                     | –   | 155             |
|                                  | <u>534</u>  | <u>–</u>                              | <u>–</u>                                    | <u>534</u>      |
| Trade and other payables#        | –   | –                                     | (56,685)                                    | (56,685)        |
| Amount owing to<br>a shareholder | –   | –                                     | (27,343)                                    | (27,343)        |
|                                  | <u>–</u>  | <u>–</u>                              | <u>(84,028)</u>                             | <u>(84,028)</u> |

|                                  | Carrying amount                                       |                                       |   | Total<br>\$'000 |
|----------------------------------|---|---------------------------------------|---|-----------------|
|                                  | Financial<br>assets at<br>amortised<br>cost<br>\$'000 | Loans<br>and<br>receivables<br>\$'000 | Other<br>financial<br>liabilities<br>\$'000 |                 |
| <b>31 March 2022</b>             |   |                                       |   |                 |
| Trade and other receivables*     | 379   | –                                     | –   | 379             |
| Cash and cash<br>equivalents     | 334   | –                                     | –   | 334             |
|                                  | <u>713</u>  | <u>–</u>                              | <u>–</u>                                    | <u>713</u>      |
| Trade and other payables#        | –   | –                                     | (56,549)                                    | (56,549)        |
| Amount owing to<br>a shareholder | –   | –                                     | (27,346)                                    | (27,346)        |
|                                  | <u>–</u>  | <u>–</u>                              | <u>(83,895)</u>                             | <u>(83,895)</u> |

\* Excludes prepayments

# Excludes unearned revenue

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and amount owing to a shareholder) are assumed to approximate their fair values because of the short period to maturity. Bank borrowings are assumed to approximate their fair value because they are repriced on a regular basis.

## 6. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in note 5 and below.

### **Investment properties**

External independent valuation company, having appropriate recognised professional qualifications, values the Group's investment property portfolio annually. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In determining the fair value, the valuers have used valuation techniques which involved certain estimates. The valuers have considered the market comparison approach and/or income capitalisation approach in arriving at the open market value as at date of valuation.

The market comparison approach involves using price per square metre of buildings derived from observable market data of comparable sales of similar property in Singapore based on recent market transactions. Adjustments have been made to the key assumptions of comparable properties for differences on key attributes such as location, tenure, time factor, age, frontage/facing, condition, and size. The income capitalisation approach capitalises an income stream into a present value using capitalisation rates. The income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved with the investment properties. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The valuation reports obtained from the external valuer highlighted that with the outbreak of COVID-19 pandemic and prevailing uncertainty in global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. Consequently, the valuer has assessed their valuation based on information provided and prevailing market date as at the date of the valuation reports.

The Group is of the view that the valuation methods and estimates are reflective of current market conditions and have taken into account the impact of COVID-19 outbreak based on information available as at 31 March 2022. Due to the unknown future impact that COVID-19 might have on the real estate market, the Group will continue to monitor the situation and seek professional advice on the property valuer as and when necessary.

### **Fair value hierarchy**

Fair value information on financial instruments is disclosed in note 5.

The table below analyses recurring non-financial assets and derivative financial liabilities carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: unobservable inputs for the asset or liability.

|                                    | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|------------------------------------|----------------|----------------|----------------|---------------|
|                                    | <b>\$'000</b>  | <b>\$'000</b>  | <b>\$'000</b>  | <b>\$'000</b> |
| <b>31 March 2022</b>               |                |                |                |               |
| Commercial property for leasing    | –              | –              | 554,000        | 554,000       |
| Residential properties for leasing | –              | –              | 14,250         | 14,250        |
| Total investment properties        | –              | –              | 568,250        | 568,250       |

### Level 3 fair value

Reconciliation from the beginning balance to the ending balance for Level 3 fair value measurements is set out in note 13.

The following table shows the key unobservable inputs used in the valuation models:

| Type                         | Valuation technique            | Key unobservable inputs  | Inter-relationship between key unobservable inputs and fair value measurement |
|------------------------------|--------------------------------|--|---|
| <b>Investment properties</b> |                                |  |   |
| Commercial properties        | Market comparison approach     | Pre-adjusted comparable sales price: \$30,946 to \$37,135 per square metre | The estimated fair value increase with higher price per square metre.         |
|                              | Income capitalisation approach | Capitalisation rate: 3%  | The estimated fair value increase with lower capitalisation rate.             |
| Residential properties       | Market comparison approach     | Pre-adjusted comparable sales price: \$21,943 to \$29,953 per square metre | The estimated fair value increase with higher price per square metre.         |

### Key unobservable inputs

Key unobservable inputs correspond to price per square metre and capitalisation rate, premium or discount on the quality of the buildings. The price per square metre and capitalisation rate are derived from specialised publications from the related markets and comparable transactions. The premium or discount on the quality of the buildings are derived based on professional judgement of the valuers, taking into account key attributes such as location, tenure, time factor, age, frontage/facing, condition and size.

## 7. Profit/(Loss) before taxation

### 7.1. Significant items

|  | Group                                    |  |
|--|--|--|
|  | 1 <sup>st</sup> half<br>FY2023<br>\$'000 | 1 <sup>st</sup> half<br>FY2022<br>\$'000 |
| Rent and service income  | 8,230                                    | 7,906                                    |
| <u>Net finance costs</u>   |  |  |
| <u>Finance income</u>  |  |  |
| Interest income on deposits with banks and financial institution | 400                                      | 270                                      |
| <u>Finance costs</u>   |  |  |
| Interest expense on bank borrowings - secured                    | (3,813)                                  | (5,458)                                  |
| Amortisation of transaction costs related to bank                | (286)                                    | (364)                                    |
|  | <u>(3,699)</u>                           | <u>(5,552)</u>                           |

## 7.2. Related party transactions

There are no material related party transactions during the financial period ended 30 September 2022 (30 September 2021: Nil).

## 8. Income tax expense

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

|  | Group                          |                                |
|--|--------------------------------|--------------------------------|
|  | 1 <sup>st</sup> half<br>FY2023 | 1 <sup>st</sup> half<br>FY2022 |
|  | \$'000                         | \$'000                         |
| <b><i>Tax recognised in profit or loss</i></b> |                                |                                |
| Income tax expense                             |                                |                                |
| - current period                               | 360                            | 58                             |
|  | <u>360</u>                     | <u>58</u>                      |

The income tax expense on the results of the Group for the financial period varies from the amount of income tax determined by applying the Singapore standard rate of income tax to (loss)/profit before taxation, due to the following factors:

|   | Group                          |                                |
|---|--------------------------------|--------------------------------|
|   | 1 <sup>st</sup> half<br>FY2023 | 1 <sup>st</sup> half<br>FY2022 |
|   | \$'000                         | \$'000                         |
| <b><i>Reconciliation of effective tax:</i></b>        |                                |                                |
| Profit/(Loss) for the period                          | 1,372                          | (408)                          |
| Total tax expense                                     | 360                            | 58                             |
| Profit/(Loss) before tax                              | <u>1,732</u>                   | <u>(350)</u>                   |
| Tax using the Singapore tax rate of 17% (FY2022: 17%) | 294                            | (60)                           |
| Singapore statutory stepped income exemption          | (28)                           | (16)                           |
| Non-deductible expenses                               | 94                             | 139                            |
| Non-taxable income                                    | -                              | (5)                            |
|   | <u>360</u>                     | <u>58</u>                      |

## 9. Net asset value

|   | Group               |                     | Company             |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As at<br>30.09.2022 | As at<br>31.03.2022 | As at<br>30.09.2022 | As at<br>31.03.2022 |
|   | Cents               | Cents               | Cents               | Cents               |
| Net asset value per ordinary share based on issued share capital as at the end of the period / year reported on | 18.1                | 18.0                | 14.9                | 14.9                |

The net asset value per ordinary share has been calculated based on 1,592,469,212 shares as at 30 September 2022 (31 March 2022: 1,592,469,212).

## 10. Financial assets at fair value through other comprehensive income

Not applicable.

## 11. Plant and equipment

During the six months ended 30 September 2022, there has been no addition and disposal of these assets.

## 12. Other assets

During the six months ended 30 September 2022, there has been no addition and disposal of these assets.

## 13. Investment properties

|                        | Group          |                |
|------------------------|----------------|----------------|
|                        | 30.09.2022     | 31.03.2022     |
|                        | \$'000         | \$'000         |
| At beginning of period | 568,250        | 566,050        |
| Changes in fair value  | –              | 2,200          |
| At end of period       | <u>568,250</u> | <u>568,250</u> |

Investment properties comprise one (31.03.2022: two) commercial building(s) and three (31.03.2022: three) residential units that are leased to third parties. Each of the leases contains an initial non-cancellable period of 2 to 5 years. Subsequent renewals are negotiated with the lessee.

Changes in fair values are recognised in statement of comprehensive income.

### Security

At 30 September 2022, investment properties of the Group with carrying amount of approximately \$554,000,000 (31.03.2022: \$554,000,000) are pledged as security to secure the bank loan.

### 13.1 Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every year. Discussions on the valuation process, key inputs applied in the valuation approach and the reasons for the fair value changes are held between the property manager, management and the independent valuer yearly.

The latest valuation was conducted for the last financial year ended 31 March 2022.

## 14. Bank borrowings - secured

|                               | Group          |                |
|-------------------------------|----------------|----------------|
|                               | 30.09.2022     | 31.03.2022     |
|                               | \$'000         | \$'000         |
| <b>Current</b>                |                |                |
| Secured bank loans            | 325,000        | 325,000        |
| Unamortised transaction costs | (2,417)        | (2,703)        |
|                               | <u>322,583</u> | <u>322,297</u> |



### **Terms and debt repayment schedule**

Terms and conditions of secured bank loans in accordance with loan agreements are as follows:

|                   | Maturity date | Effective interest rate<br>per annum |          | 30.09.2022<br>\$'000 | 31.03.2022<br>\$'000 |
|-------------------|---------------|--------------------------------------|----------|----------------------|----------------------|
|                   |               | 1HFY2023                             | 1HFY2022 |                      |                      |
| <b>Group</b>      |               |                                      |          |                      |                      |
| Secured bank loan | December 2026 | 2.34%                                | 3.02%    | 322,583              | 322,297              |
|                   |               |                                      |          | <u>322,583</u>       | <u>322,297</u>       |

The secured bank loans of the Group are secured over investment properties (see note 13) and guaranteed by a shareholder and his close family member.

The bank borrowings are subject to various covenants, amongst others, loan to valuation ratio, interest cover ratio and requirement to maintain certain tangible net worth.

### **(k) Other information**

#### **1. Audit or review**

**(a) Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Company's auditors.

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

Not applicable.

**(c) Auditors' Report**

Not applicable.

#### **2. Accounting policies**

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

Except as disclosed in item (b) below, the Group has applied the same accounting policies and methods of computation in the financial statements of the current financial reporting period as in the audited financial statements for the financial year ended 31 March 2022.

- (b) 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.**

With effect from 1 April 2022, the Group has adopted various new / revised Singapore Financial Reporting Standards (International) (SFRS(I)s) which are relevant to the Group's operations.

The adoption of these new standards and amendments has no significant effect on the consolidated financial statements of the Group.

**3. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Basic and diluted earnings/(loss) per share was based on profit/(loss) attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding, calculated as follows:

|   | 1 <sup>st</sup> half<br>FY2023<br>S\$'000 | 1 <sup>st</sup> half<br>FY2022<br>S\$'000 |
|---|---|---|
| Profit/(Loss) for the period attributable to:<br>Owners of the Company  | <u>1,372</u>                              | <u>(408)</u>                              |
|   | 1 <sup>st</sup> half<br>FY2023<br>'000    | 1 <sup>st</sup> half<br>FY2022<br>'000    |
| Weighted average number of ordinary shares during the period  | <u>1,592,469</u>                          | <u>1,592,469</u>                          |
|   | 1 <sup>st</sup> half<br>FY2023<br>Cents   | 1 <sup>st</sup> half<br>FY2022<br>Cents   |
| Earnings/(Loss) per ordinary share based on:-<br>(a) the weighted average number of ordinary shares on issue; and | <u>0.09</u>                               | <u>(0.03)</u>                             |
| (b) a fully diluted basis   | <u>0.09</u>                               | <u>(0.03)</u>                             |

**4. 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**

|   | Group                        |                              | Company                      |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | As at<br>30.09.2022<br>Cents | As at<br>31.03.2022<br>Cents | As at<br>30.09.2022<br>Cents | As at<br>31.03.2022<br>Cents |
| Net asset value per ordinary share based on issued share capital as at the end of the period / year reported on | <u>18.1</u>                  | <u>18.0</u>                  | <u>14.9</u>                  | <u>14.9</u>                  |

## 5. Review of Group Performance

### 1HFY2023 vs 1HFY2022

#### REVENUE

|         | 6 months ended       |                      | Change |
|---------|----------------------|----------------------|--------|
|         | 30.09.2022           | 30.09.2021           |        |
|         | 1 <sup>st</sup> half | 1 <sup>st</sup> half |        |
|         | FY2023               | FY2022               |        |
|         | \$'000               | \$'000               | %      |
| Revenue | 8,230                | 7,906                | 4.1    |

Group's revenue comprised mainly rent and service income generated from its investment properties, other supplemental and ad-hoc income.

Group's revenue for 1HFY2023 increased by 4.1%. This is primarily due to rent and service income generated from new occupancy agreements.

#### EXPENSES

|  | 6 months ended       |                      | Change        |
|--|----------------------|----------------------|---------------|
|  | 30.09.2022           | 30.09.2021           |               |
|  | 1 <sup>st</sup> half | 1 <sup>st</sup> half |               |
|  | FY2023               | FY2022               |               |
|  | \$'000               | \$'000               | %             |
| Depreciation                                       | (16)                 | (27)                 | (40.7)        |
| Staff costs  | (619)                | (547)                | 13.2          |
| Direct operating expenses of investment properties | (1,869)              | (1,786)              | 4.6           |
| Other operating expenses                           | (295)                | (344)                | (14.2)        |
| Net finance costs                                  | (3,699)              | (5,552)              | (33.4)        |
| Income tax expense                                 | (360)                | (58)                 | >100.0        |
| <b>Total</b>                                       | <b>(6,858)</b>       | <b>(8,314)</b>       | <b>(17.5)</b> |

Total expenses of the Group for 1H FY2023 have decreased by 17.5% compared to the same period in the preceding year, mainly attributable to the following factors:

- Lower depreciation charge on plant and equipment.
- Increase in staff costs mainly due to salary adjustments as well as lower number of employees in 1HFY2022.
- Direct operating expenses of investment properties in 1HFY2023 were higher in comparison with 1HFY2022 mainly associated with inflationary adjustments on pricing by contractors and service providers for repair and maintenance of the building.
- Other operating expenses are expenses comprised mainly audit and tax agent fees, corporate secretarial fees, legal and professional fees and administrative expenses. The decrease for 1HFY2023 is mainly resulted from lower professional fee and the absence of agency fee for bank borrowings.

Breakdown of other operating expenses:

|  | 6 months ended       |                      | Change |
|--|----------------------|----------------------|--------|
|  | 30.09.2022           | 30.09.2021           |        |
|  | 1 <sup>st</sup> half | 1 <sup>st</sup> half |        |
|  | FY2023               | FY2022               |        |

|                             | \$'000       | \$'000       | %           |
|-----------------------------|--------------|--------------|-------------|
| Legal and professional fees | (93)         | (150)        | (38.0)      |
| Administrative expenses     | (202)        | (194)        | 4.1         |
| <b>Total</b>                | <b>(295)</b> | <b>(344)</b> | <b>14.2</b> |

- Net finance costs comprised interest on bank borrowings and amortization of transaction costs, net off by interest income. Net finance costs in 1HFY2023 are 33.4% lower compared to 1HFY2022, mainly resulted from partial repayment of bank borrowings of \$35.4 million in 2HFY2022 and lower amortisation amount. In 1HFY2022, a fixed deposit was placed towards the end of the period. Hence, interest income was approximately one month as compared with 6 months in 1HFY2023.
- Higher income tax expense is in line with the increase in estimated chargeable income.

### RESULTS FROM OPERATING ACTIVITIES

The Group's operating profits increased by 4.4%. Reasons are mentioned in the preceding paragraphs.

### PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group registered a net profit of \$1.4 million in 1<sup>st</sup> half FY2023. Reasons are mentioned in the preceding paragraphs.

### OTHER COMPREHENSIVE INCOME

In 1HFY2022, other comprehensive income of \$1.7 million represents effective portion of changes in fair value of cash flow hedges. Fair value of cash flow hedges (interest rate swaps) is determined based on broker quotes at reporting date. Following the settlement of interest rate swaps contracts in December 2021, there is no such item in 1HFY2023.

### GROUP'S STATEMENT OF FINANCIAL POSITION

Plant and equipment decreased due mainly to depreciation charge for the period ended 30 September 2022.

Other assets consist of art pieces which are carried at cost on initial recognition and reviewed annually for impairment loss. At reporting date on 30 September 2022, the carrying amount of these other assets remained unchanged as compared to 31 March 2022.

Investment properties as at 30 September 2022 remained unchanged as compared to 31 March 2022. Valuation of investment properties are performed annually at financial year end in March.

Trade and other receivables as at 30 September 2022 have decreased as compared to 31 March 2022, mainly due to lower accrued revenue, trade receivables and prepaid operating expenses.

As at 30 September 2022, share capital remained the same as the last financial year ended 31 March 2022 at \$255.3 million.

Other reserves of the Group and Company comprise capital reserves.

Decrease in accumulated losses is due to net profit registered in the current period reported on.

Non-current other payables comprise security deposits collected from tenants which are refundable after one year from 30 September 2022. The decrease is resulted from deposits for certain occupancy agreements (with remaining lease period of less than 12 months) being reclassified from non-current to current liabilities.

Bank borrowings as at 30 September 2022 under non-current liabilities comprised the following:

|                               | <b>Group</b>      |                   |
|-------------------------------|-------------------|-------------------|
|                               | <b>30.09.2022</b> | <b>31.03.2022</b> |
|                               | <b>\$'000</b>     | <b>\$'000</b>     |
| Secured bank loans            | 325,000           | 325,000           |
| Unamortised transaction costs | (2,417)           | (2,703)           |
|                               | <u>322,583</u>    | <u>322,297</u>    |

The increase in bank borrowings is due amortisation of transaction costs in 1HFY2023.

Trade and other payables in current liabilities of the Group have decreased compared to balances at 31 March 2022. This is mainly due to decrease in accrued expenses, trade payables and advance rental.

Amount owing to a shareholder is unsecured, non-interest bearing and has no fixed term of repayment. The decrease is due to partial repayment during the period in 1HFY2023.

Increase in current tax liabilities is due to provision for income tax for 1HFY2023, offset by income tax paid during the current period.

As at 30 September 2022, the Group has a positive working capital of approximately \$36.9 million (31 March 2022: \$35.3 million).

#### COMPANY'S STATEMENT OF FINANCIAL POSITION

As at 30 September 2022, investments in subsidiaries remained the same as the last financial year ended 31 March 2022, at \$321.0 million, representing costs of investments in the three subsidiaries of the Company less impairment loss recognised in FY2022.

Increase in trade and other receivables is mainly due to higher trade receivables.

Decrease in cash and cash equivalents is resulted from payments made for operating expenses in the current period 1HFY2023.

Accumulated losses have increased due to net loss incurred in the current period reported on.

The increase in trade and other payables is mainly due to increase in amounts due to subsidiaries, offset by payments of trade and other payables.

Amount owing to a shareholder is unsecured, non-interest bearing and has no fixed term of repayment. There is no significant movement in the current period.

No significant change in current tax liabilities as at 30 September 2022.

As at 30 September 2022, the Company has a negative working capital of approximately \$83.5 million (31 March 2022: \$83.2 million), mainly due to amount owing to a shareholder and amounts due to subsidiaries are included as current liabilities. Notwithstanding this, a

shareholder has undertaken, save for repayment of certain amounts of shareholder's loan, to provide continuous financial and other support as necessary, to enable the Company to continue its operations and meet its financial obligations as and when they fall due.

#### GROUP'S STATEMENT OF CASH FLOWS

Group's cash and cash equivalents in the statement of cash flows as at 30 September 2022 stood at approximately \$92.9 million as compared to \$79.7 million in the corresponding period ended 30 September 2021.

#### 1<sup>st</sup> half FY2023 vs 1<sup>st</sup> half FY2022

The increase is mainly attributable to the following factors:

- Decrease in net cash generated from operating activities due to cash outflow from changes in working capital and higher tax paid.
- Decrease in net cash used in investing activities mainly due to the absence of placement of time deposit, offset by higher interest income.
- Net cash used in financing activities decreased due to lower interest paid and debt service reserve, offset by partial repayment of amount owing to a shareholder.

#### **6. Forecast or prospect statement**

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

The Group did not make any forecast or prospect statement to shareholders.

#### **7. Commentary on market trends**

**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.**

The Group is closely monitoring external factors that might impact the performance of the Group, such as the office rental market and the fluctuation of bank interest rates.

The Group continues to explore strategic investments into value assets with the potential to generate attractive returns.

#### **8. Dividends**

##### ***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on? None.

##### ***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

**(c) Tax on dividend**

Whether the dividend is before tax, net of tax or tax exempt? Not applicable.

**(d) Date payable**

Not applicable.

**(e) Books closure date**

Not applicable.

**9. If no dividend has been declared (recommended), a statement to that effect.**

Given the Group's investment strategy of keeping a strong balance sheet with sufficient resources for future investment purposes for long-term and sustainable growth, the Board is not recommending any dividend for this financial period ended 30 September 2022.

**10. Interested Persons Transactions**

The Group has not obtained a general mandate from shareholders for IPTs.

**11. Confirmation pursuant to Rule 720(1) of the SGX Listing Rules**

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers under Rule 720(1) of the SGX Listing Rules.

**12. Confirmation by Directors pursuant to Rule 705(5) of the listing manual of SGX-ST**

On behalf of the Board of Directors of the Company, we confirm that to the best of our knowledge, nothing has come to our attention which may render the financial results for the period ended 30 September 2022 to be false or misleading.

**BY ORDER OF THE BOARD**

Jonathan Tahir  
Executive Chairman and Chief Executive Officer

8 November 2022