

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

**UNAUDITED FINANCIAL STATEMENTS FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 2021**

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

		Group		
		6 months ended		
	Note	30 Sep 2021	30 Sep 2020	Increase/ (Decrease)
		\$'000	\$'000	%
<u>Continuing operations</u>				
Revenue	N4.1	4,573	7,641	(40)
Cost of sales		(3,946)	(6,232)	(37)
Gross profit		627	1,409	(56)
Other income		794	2,833	(72)
Selling and distribution expenses		(125)	(95)	32
Administrative expenses		(3,325)	(1,322)	N/M
Finance costs		(57)	(121)	(53)
(Loss)/profit before tax from continuing operations	N6	(2,086)	2,704	N/M
Tax expense	N7	-	-	-
(Loss)/profit from continuing operations, net of tax		(2,086)	2,704	N/M
<u>Discontinued operations</u>				
Loss from discontinued operations, net of tax		(25)	(528)	(95)
(Loss)/profit for the period		(2,111)	2,176	N/M
<u>Other comprehensive (loss)/income</u>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences		393	1,074	(63)
Total comprehensive (loss)/income for the period		(1,718)	3,250	N/M
<u>(Loss)/profit for the period attributable to:</u>				
Owners of the Company				
(Loss)/profit from continuing operations		(2,058)	2,937	N/M
Loss from discontinued operations		(25)	(528)	(95)
Non-controlling interests		(28)	(233)	(88)
		(2,111)	2,176	N/M
<u>Total comprehensive (loss)/income for the period attributable to:</u>				
Owners of the Company				
(Loss)/profit from continuing operations		(1,501)	3,344	N/M
Loss from discontinued operations		(490)	(528)	(7)
Non-controlling interests		273	434	(37)
		(1,718)	3,250	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 2021	30 Sep 2020
	cents per share	cents per share
(Loss)/earnings per share from continuing operations attributable to owners of the Company		
-Basic		
-Diluted	(0.038)	0.055
	(0.038)	0.055
(Loss)/earnings per share attributable to owners of the Company		
-Basic	(0.039)	0.045
-Diluted	(0.039)	0.045

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	<u>The Group</u>		<u>The Company</u>	
		30-Sep-2021	31-Mar-2021	30-Sep-2021	31-Mar-2021
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	N10	7,587	7,926	34	60
Right-of-use assets		3,890	7,240	2,080	2,100
Investment properties	N11	17,760	15,152	-	-
Subsidiaries		-	-	41,780	41,780
Financial assets at fair value through profit or loss		*	*	-	-
Contracts assets		28	28	-	-
		29,265	30,346	43,894	43,940
Current assets					
Development properties	N12	31,818	30,978	-	-
Prepayments, trade and other receivables		3,774	6,213	21,308	19,274
Contract assets		*	119	-	-
Inventories	N13	7,237	5,816	-	-
Cash and cash equivalents		9,251	11,296	5,750	8,935
		52,080	54,422	27,058	28,209
Total assets		81,345	84,768	70,952	72,149
LIABILITIES					
Non-current liabilities					
Loans and borrowings	N14	2,765	2,848	-	-
Deferred tax liabilities		1,575	1,575	-	-
		4,340	4,423	-	-
Current liabilities					
Trade and other payables		4,476	6,120	194	305
Loans and borrowings	N14	627	507	-	-
Provision for restructuring		-	98	-	-
		5,103	6,725	194	305
Total liabilities		9,443	11,148	194	305
Net assets		71,902	73,620	70,758	71,844
EQUITY					
Share capital	N15	103,171	103,171	103,171	103,171
Revaluation and other reserves		(6,926)	(7,018)	-	-
Accumulated losses		(33,604)	(31,521)	(32,413)	(31,327)
Equity holders of the company		62,641	64,632	70,758	71,844
Non-controlling interest		9,261	8,988	-	-
Total equity		71,902	73,620	70,758	71,844
Total equity and liabilities		81,345	84,768	70,952	72,149

*Amounts less than \$1,000

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Share capital	Foreign currency translation reserve	Reserves of disposal group classified as held for sale	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interest	Total
<u>Group</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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
Balance at 1-Apr-2020	103,171	(7,051)	163	(33,640)	62,643	8,566	71,209
Profit/(Loss) for the year	-	-	-	2,409	2,409	(233)	2,176
Other comprehensive income	-	407	-	-	407	667	1,074
Total comprehensive income for the period	-	407	-	2,409	2,816	434	3,250
Reserve attributable to disposal group classified as held for sale	-	163	(163)	-	-	-	-
Balance at 30-Sep-2020	103,171	(6,481)	-	(31,231)	65,459	9,000	74,459

	Share capital	Accumulated losses	Total
<u>Company</u>	\$'000	\$'000	\$'000
Balance at 1-Apr-2021	103,171	(31,327)	71,844
Loss for the period, representing total comprehensive loss for the period	-	(1,086)	(1,086)
Balance at 30-Sep-2021	103,171	(32,413)	70,758
Balance at 1-Apr-2020	103,171	(29,870)	73,301
Profit for the period, representing total comprehensive income for the period	-	181	181
Balance at 30-Sep-2020	103,171	(29,689)	73,482

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Group	6 months ended	
	30 Sep 2021 \$'000	30 Sep 2020 \$'000
Cash flows from operating activities		
(Loss)/profit before tax from continuing operations	(2,086)	2,704
Loss before tax from discontinued operations	(25)	(531)
	(2,111)	2,173
Adjustments for:		
Depreciation of property, plant and equipment	337	359
Depreciation of right-of-use assets	63	292
Depreciation of investment property	238	-
Gain on disposal of subsidiary	-	(2,450)
Gain on winding up of subsidiary	(508)	-
Gain on disposal of property, plant and equipment	(3)	(26)
Interest expense from continuing operations	57	121
Interest expense from discontinued operations	-	5
Interest income	(47)	(74)
Inventories written down	13	-
Reversal of provision for expected credit loss on trade receivables	(122)	-
Right-of-use assets written off	(1)	-
Unrealised foreign exchange differences	1,464	(2,123)
Impairment loss on development properties	-	590
Reversal of impairment loss on property, plant and equipment	-	(17)
Waiver of debts	-	(1,067)
Operating loss before working capital changes	(620)	(2,217)
Changes in operating assets and liabilities		
Development properties	(840)	(764)
Inventories	(1,434)	(354)
Trade and other receivables	2,682	1,412
Trade and other payables	(1,799)	(1,765)
Cash used in operations	(2,011)	(3,688)
Interest income received	47	74
Income tax (paid)/refund	(1)	18
Net cash used in operating activities	(1,965)	(3,596)
Cash flows from investing activities		
Additions to investment properties	(121)	-
Sale proceeds from disposal of subsidiary	-	9,352
Purchase of property, plant and equipment and right-of-use assets	-	(120)
Proceeds from disposal of property, plant and equipment	3	63
Net cash (used in)/generated from investing activities	(118)	9,295
Cash flows from financing activities		
Repayments of loans and borrowings	(794)	(1,982)
Proceeds from loans and borrowings	838	1,530
Loan from non-controlling interest	-	171
Interest paid	(57)	(126)
Principal element of lease payments	(19)	(183)
Net cash used in financing activities	(32)	(590)
Net (decrease)/increase in cash and cash equivalents	(2,115)	5,109
Cash and cash equivalents at beginning of the period	11,299	12,667
Effect of exchange rate changes on cash and cash equivalents	69	(19)
Cash and cash equivalents at end of the period	9,253	17,757

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

Group	30 Sep 2021	30 Sep 2020
	\$'000	\$'000
Cash and bank balances	4,103	4,993
Fixed deposits	5,147	12,761
Cash and cash equivalents as per consolidated statement of financial position	9,251	17,754
Cash and cash equivalents		
- Continuing operations	9,155	16,006
- Discontinued operations	95	1,748
- Disposal group assets classified as held for sale	3	3
Cash and cash equivalents as per consolidated statement of cash flows	9,253	17,757

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 2021 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 2021 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 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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

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

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

N2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

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

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

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

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

N3. Seasonal operations

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

N4. Segment and revenue information

Business segments

The Group is organised into the following business segments:

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

	Continuing operation			Discontinued operation	
	Investment	Door Business	Property Business	Door Business	Total
1 April 2021 to 30 September 2021	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue					
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
-Income tax payable					-
-Borrowings, secured					3,392
Consolidated total liabilities					9,443
<u>Other segment items</u>					
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
Inventories written down	-	13	-	-	13
Gain on disposal of property, plant and equipment	-	3	-	-	3

	Continuing operation			Discontinued operation	
1 April 2020 to 30 September 2020	Investment	Door Business	Property Business	Door Business	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue					
Sales - external	-	7,641	-	883	8,524
Segment (loss)/gain	(1,188)	148	1,032	(545)	(553)
Other income					2,857
Finance costs					(126)
Profit before taxation					2,178
Income tax expense					(2)
Profit for the period					2,176
Consolidated total assets	15,737	27,456	44,133	-	87,326
Segment liabilities	276	4,967	1,992	-	7,235
-Deferred tax liabilities		1,597			1,597
-Income tax payable		1			1
-Borrowings		4,034			4,034
Consolidated total liabilities					12,867
Other segment items					
Capital expenditure	1	112		113	113
Depreciation of property, plant and equipment	34	287	-	38	359
Depreciation on right-of-use assets	20	111	-	161	292
Gain on disposal of property, plant and equipment	-	32	-		32
Impairment loss on development properties	-	-	590		590
Inventories written down		2		33	35

N4.1 Revenue and Geographical segments

	Group Revenue	
	6 months ended	
	30 September 2021	30 September 2020
	\$'000	\$'000
<i>Recognised at a point in time</i>		
Sale of goods	4,573	7,641

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 2021	30 September 2020
	\$'000	\$'000
United Kingdom	4,510	7,118
Ireland	63	360
United States of America	-	163
	4,573	7,641

	Group Non-current assets	
	30 September 2021	31 March 2021
	\$'000	\$'000
Singapore	5,396	5,490
Malaysia	9,362	9,702
Australia	14,506	15,152
Indonesia	1	1
	29,265	30,345

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 2021 and 31 March 2021:

	Group		Company	
	30 September 2021	31 March 2021	30 September 2021	31 March 2021
Financial assets				
Financial assets at amortised cost:	\$'000	\$'000	\$'000	\$'000
- Trade and other receivables	2,644	4,855	21,273	19,209
- Cash and cash equivalents	9,251	11,296	5,750	8,935
Financial asset at fair value through profit or loss	*	*	-	-
	11,895	16,151	27,023	28,144
Financial liabilities				
Financial liabilities at amortised cost:				
- Trade and other payables	4,455	6,106	194	305
- Interest bearing borrowings				
-Foreign currency loan against import	431	308	-	-
-Term loan	3,684	3,810	-	-
- Lease liabilities	58	65	-	-
	8,628	10,289	194	305
	3,267	5,862	26,829	27,839

*Amounts less than \$1,000

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

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

	Group	
	6 months ended	
	30 September	30 September
	2021	2020
	\$'000	\$'000
Depreciation of property, plant and equipment	337	321
Depreciation of right-of-use assets	63	131
Depreciation of investment properties	238	-
Interest expense	57	121
Interest income	47	74
Government grants and incentives	12	226
Gain on disposal of property, plant and equipment	3	32
Gain on disposal of subsidiary	-	2,450
Gain on winding up of subsidiary	508	-
Foreign currency exchange loss/(gain)	766	(1,577)
Inventories written down	13	2
Impairment loss on development properties	-	590

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
	2021	2020
	\$'000	\$'000
Current tax expense	-	2
-current year	-	2
Income tax attributable to continuing operations	-	-
Income tax attributable to discontinued operation	-	2
Income tax expense recognised in profit or loss	-	2

N8. Dividends

No interim dividend has been proposed for the periods ended 30 September 2021 and 30 September 2020.

N9. Net asset value

	Group		Company	
	30 September	31 March	30 September	31 March
	2021	2021	2021	2021
	Cents	Cents	Cents	Cents
Net asset value per share based on existing issued share capital as at end of period/year	1.16	1.20	1.32	1.34

Net asset value per ordinary share is calculated based on 5,380,556,316 shares as at 30 September 2021 (31 March 2021: 5,380,556,316).

N10. Property, plant and equipment

During the six months ended 30 September 2021, the Group acquired assets amounting to nil (30 September 2020: \$113,580) and disposed of assets with a net book value amounting to nil (30 September 2020: \$36,141)

N11. Investment properties

	Group	
	30 September 2021 \$'000	31 March 2021 \$'000
Cost		
As at 1 April	15,245	-
Addition	121	-
Transfer from development properties	-	14,545
Transfer from right-of-use assets	4,645	-
Currency translation differences	(586)	700
As at 30 September / 31 March	<u>19,425</u>	<u>15,245</u>
Accumulated depreciation		
As at 1 April	93	-
Depreciation charge for the year	238	89
Transfer from right-of-use assets	1,343	-
Currency translation differences	(9)	4
As at 30 September / 31 March	<u>1,665</u>	<u>93</u>
Net carrying amount	<u>17,760</u>	<u>15,152</u>

During the six months ended 30 September 2021, the Group transferred costs of \$4,645,050 and accumulated depreciation of \$1,342,892 from right-of-use assets to investment property due to a change in use of a leasehold building located in Singapore and in compliance with SFRS(I) 1-40.

The investment properties held by the Group as at 30 September 2021 is as follows:

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

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

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment. As at 31 March 2021, fair value of the investment property at Australia, which is based on its highest and best use, amounted to \$19,361,000 and the fair value of the leasehold factory at Singapore was \$3,300,000. The valuations were performed by accredited independent valuers with recognised and relevant professional qualifications and recent experience in the location and category of the properties being valued. Both valuations were carried out based on the Direct Comparison Approach, a comparative method of valuation of the open market value of the subject property, taking into consideration the state and condition of the property. The fair value measurement of the investment properties were categorised under Level 3 of the fair value hierarchy. 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 2021.

N12. Development properties

	Group	
	30 September 2021 \$'000	31 March 2021 \$'000
<i>Property held for redevelopment</i>		
As at 1 April	-	11,566
Addition	-	1,635
Transfer to investment property	-	(14,545)
Currency translation differences	-	1,344
As at 30 September / 31 March	-	-
<i>Land use rights designated as part of development properties</i>		
As at 1 April	30,978	27,228
Addition	-	100
VAT capitalised	-	2,320
Impairment loss on land	-	(695)
Currency translation differences	840	2,025
As at 30 September / 31 March	31,818	30,978

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

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

As at 31 March 2021, fair value of the land use rights designated as part of development properties of the Group is valued at \$28,551,000, 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 there was no material change in the fair value of development properties as at 30 September 2021.

N13. Inventories

	Group	
	30 September 2021 \$'000	31 March 2021 \$'000
Finished goods	1,748	1,663
Work-in-progress	1,738	1,824
Raw materials	3,751	2,329
	7,237	5,816

During the six months ended 30 September 2021, the Group recognised inventories written down of \$12,667.

N14. Loans and borrowings

	Group	
	30 September 2021 \$'000	31 March 2021 \$'000
Current		
Lease liabilities	36	40
Loans and borrowings:		
-Foreign currency loan against import	430	306
-Term loan	161	161
	<u>627</u>	<u>507</u>
Non-current		
Lease liabilities	19	21
Loans and borrowings:		
-Term loan	2,746	2,827
	<u>2,765</u>	<u>2,848</u>
Total loans and borrowings	<u>3,392</u>	<u>3,355</u>

Amount repayable in one year or less, or on demand

As at 30 September 2021		As at 31 March 2021	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
627	-	507	-

Amount repayable after one year

As at 30 September 2021		As at 31 March 2021	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
2,765	-	2,848	-

Details of collateral

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

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

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

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

N15. Share Capital

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

There were no changes in the share capital of the Company in the six months ended 30 September 2021.

The Company did not hold any treasury shares and the Company's subsidiaries do not hold any shares in the Company as of 30 September 2021 and 30 September 2020.

The Company did not hold any other outstanding convertible securities as at 30 September 2021 and 30 September 2020.

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

N18. Subsequent events

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

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

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

Please refer to paragraph A.

- (a)(ii) Significant items**

Please refer to N6.

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

Please refer to paragraph B.

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

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

Please refer to N14

(B) Amount repayable after one year

Please refer to N14

(C) Whether the amounts are secured or unsecured

Please refer to N14

(D) Details of any collaterals

Please refer to N14

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

Please refer to paragraph D.

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

Please refer to paragraph C.

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

Please refer to N15.

- (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Please refer to N15.

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

Please refer to N15. The Company did not have any sales, transfers, cancellation and/or use of treasury shares during the six months ended 30 September 2021.

- (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 2021.

There were no subsidiary holdings held by the Company as at 30 September 2021.

- 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 2021 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 2021	30 September 2020
(Loss)/Profit per share	Cents	Cents
- basic	(0.039)	0.045
- diluted	(0.039)	0.045

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 2021 (30 September 2020: 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 2021 and 30 September 2020, 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 2021 ("HYFY2022") as compared to the 6 months ended 30 September 2020 ("HYFY2021")

(A) Continuing operations

Revenue

The Group registered revenue of \$4.57 million in HYFY2022, representing a decrease of 40% as compared to \$7.64 million in HYFY2021. The decrease was mainly due to the temporary closure of its factory in Johor, Malaysia from 1 June 2021 to 13 September 2021 in compliance with the Malaysian Government's directive following the resurgence of COVID-19 cases in Malaysia. This period of temporary closure has affected the Group in recognising revenue.

Cost of sales

Cost of sales decreased by 37% to \$3.95 million in HYFY2022 as compared to \$6.23 million in HYFY2021. The decrease was mainly due to the drop in raw materials usage, factory overheads and labour costs, resulting from reduced overtime and piece-rate incentive. This was attributable to the temporary closure of its factory in Johor, Malaysia from 1 June 2021 to 13 September 2021, arising from Malaysia's Movement Control Order in response to the COVID-19 pandemic.

Gross profit

The Group's gross profit decreased from \$1.41 million in HYFY2021 to \$0.63 million in HYFY2022. The Group's gross margin decreased from 18% in HYFY2021 to 14% in HYFY2022 due to the significant decrease in export sales and lower decrease in cost of sales whereby certain fixed costs were incurred despite the temporary closure of the factory in Malaysia.

Other income

Other income decreased by 72% from \$2.83 million in HYFY2021 to \$0.79 million in HYFY2022. The decrease was largely due to the absence of a gain on disposal group classified as held for sale of approximately \$2.45 million in HYFY2021, as well as decreases in interest income and various government grants in HYFY2022. These were offset against rental income, write back of expected credit losses on trade receivables and gain on disposal of liquidation (which relates to the voluntary winding up of our subsidiary in China, Dongguan Lebex Doors Co. Ltd., the completion of which was previously announced on 1 August 2021 via SGXNet) in HYFY2022.

Selling and distribution expenses

Selling and distribution expenses increased by 32% to \$0.13 million in HYFY2022 as compared to \$0.10 million in HYFY2021. The increase was primarily due to higher marketing support fee in HYFY2022 offset against the decrease in handling fee for export containers of doors in relation to the decrease in revenue as explained above.

Administrative expenses

Administrative expenses increased from \$1.32 million in HYFY2021 to \$3.33 million in HYFY2022. The increase was mainly due to unrealized foreign exchange loss of \$0.77 million in HYFY2022 recorded as a result of the weakening of the Australian Dollar relative to the Singapore dollar as compared to an unrealized foreign exchange gain of \$1.58 million in HYFY2021. In addition, there was higher land tax and depreciation expenses incurred in HYFY2022, which were offset against the impairment loss on development properties in HYFY2021.

Finance costs

Finance costs decreased by 53% from \$0.12 million in HYFY2021 to \$0.06 million in HYFY2022. The decrease was mainly due to lower interest cost resulting from lower import loan drawn down and restructuring of a term loan.

Loss for the period HYFY2022

The Group recorded a loss of \$2.09 million in HYFY2022 from continuing operations as compared to a profit of \$2.70 million in HYFY2021.

(B) Discontinued operations

Discontinued operations relate to Dongguan Lebex Doors Co. Ltd and KLW (HK) Limited. These two entities are considered as part of a cash generating unit. The loss from discontinued operations amounting to \$0.03 million is in respect of losses incurred in the current financial period.

Condensed Interim Statements of the Group's Financial position

Review of the Group's financial position as at 30 September 2021 as compared to 31 March 2021

Non-current assets

Investment properties increased by 17% from \$15.15 million as at 31 March 2021 to \$17.76 million as at 30 September 2021. The increase was mainly due to the transfer from right-of-use assets to investment property due to a change in use of a leasehold building located in Singapore in compliance with SFRS(I) 1-40.

Similarly, right-of-use assets decreased by 46% mainly due to depreciation of right-of-use assets and transfer to investment property as the leasehold building located in Singapore was tenanted in April 2021.

Current assets

Prepayments, trade and other receivables decreased by 39% from \$6.21 million as at 31 March 2021 to \$3.77 million as at 30 September 2021 mainly due to decrease in trade receivables because of the decrease in export sales of doors since the Group's Malaysia factory was unable to operate from 1 June 2021 to 13 September 2021 due to the Malaysian Government's directive following the resurgence of COVID-19 cases in Malaysia. This was offset against an increase in other receivables due to the entry by the Group's wholly owned subsidiary in Australia into an investment (debt) and marketing agreement (which was previously announced on 13 July 2021 via SGXNet) in HYFY2022, which involved the Group extending a loan of A\$2.0 million to finance the acquisition of a property in Melbourne by the borrower and the Group providing marketing support services to the borrower.

Contract assets decreased by \$0.12 million as at 31 March 2021 due to payment received for local supply and installation projects.

Inventories increased by 24% from \$5.82 million as at 31 March 2021 to \$7.24 million as at 30 September 2021 mainly due to increase in raw materials as the Group's Malaysia factory was unable

to operate and to utilise its raw materials during the temporary closure. In addition, the Malaysia factory brought forward the purchase of raw materials in case of potential delay in the receipt of raw materials due to container shortages and possible price increase.

Cash and cash equivalents decreased by 18% from \$11.30 million as at 31 March 2021 to \$9.25 million as at 30 September 2021 due to the loan entered by the Group pursuant to the aforesaid investment (debt) and marketing agreement.

Current liabilities

Trade and other payables decreased by 27% from \$6.12 million as at 31 March 2021 to \$4.48 million as at 30 September 2021 mainly due to suppliers and vendors payments, land tax instalments payments and decrease in purchases due to the temporary closure of the Group's factory in Malaysia from 1 June 2021 to 13 September 2021.

Borrowings increased by 24% from \$0.51 million as at 31 March 2021 to \$0.63 million as at 30 September 2021. This was mainly due to the increase in the usage of the foreign currency loan against import.

As at 30 September 2021, there is no provision for restructuring as the Company has completed the voluntary winding up of our subsidiary in China, Dongguan Lebex Doors Co. Ltd., in HYFY2022, which was previously announced on 1 August 2021 via SGXNet.

Equity

Total equity decreased by 2% from \$73.62 million as at 31 March 2021 to \$71.90 million as at 30 September 2021 mainly due to the loss recognized in HYFY2022.

Condensed Interim Consolidated Statement of Cash Flows

Review of the Group's cash flow statement for HYFY2022 as compared to HYFY2021

The Group's net cash used in operating activities for HYFY2022 was \$1.97 million as compared to \$3.60 million for HYFY2021. Net cash used in operating activities in HYFY2022 was mainly due to working capital use.

Net cash used in investing activities for HYFY2022 was \$0.12 million as compared to net cash generated of \$9.30 million for HYFY2021. Net cash used in investing activities in HYFY2022 was for building improvements for its investment property in Australia.

Net cash used in financing activities for HYFY2022 was \$0.03 million as compared to \$0.59 million for HYFY2021. Net cash used in financing activities in HYFY2022 was mainly due to the 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 \$9.25 million as at 30 September 2021.

- 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.**

For the Door business, the Group's door production base and manufacturing operations are now centred in Johor, Malaysia and as disclosed in the Company's announcements dated 1 June 2021, 15 June 2021, 18 June 2021, 29 June 2021, 17 August 2021 and 14 September 2021, the door business operations in the first half of the current financial year have been disrupted by the temporary closure of its factory in Johor, Malaysia between 1 June 2021 to 13 September 2021 due to the Malaysian Government's directive following the resurgence of COVID-19 cases in Malaysia. While the Door business has obtained the necessary approvals from Malaysia's Ministry of International Trade and Industry and has resumed operations from 14 September 2021, the Group remains cautious and watchful on the situation and any possible further measures if the COVID-19 situation worsens. The global supply bottleneck in container shipping services has affected the Group's ability to export its doors in a timely manner. Likewise, import of raw materials from overseas has continued to be affected by supply chain disruptions. The container shipping situation is likely to continue to remain uncertain for the next couple of months as well as raw material shortage issue and labour shortage in

Malaysia. The Group will continue to stay vigilant on managing the situation, its cost and operating expenses with a view to improving productivity and bringing down costs.

For the Property business, the Group is taking a cautious and calibrated approach in relation to the necessary applications for various permits and licences for its proposed property development in Jakarta as COVID-19 cases continue to decline and certain restrictions are eased. Over in Melbourne, the Group is increasing its efforts to attract suitable tenants for its building at Lincoln Square. During the first half ended 30 September 2021, this was impeded by the various lockdowns imposed by the Victoria state government which resulted in low enquiries and viewing requests. The Group continues to work hard to ensure that Lincoln Square can be tenanted out in the second half of FY2022, as the city slowly emerges from various lockdowns and movement restrictions.

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 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 half year financial results of the Company and the Group for the period ended 30 September 2021 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
Executive Director
14 November 2021