

**MYP Ltd.
and its Subsidiaries**

Registration Number: 200509721C

Condensed Interim Financial Statements
For the six months ended 30 September 2021

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(a) Condensed interim consolidated statement of comprehensive income

Group

	Note	1 st half FY2022 \$'000	1 st half FY2021 \$'000	Change %
Revenue	7.1	7,906	9,931	(20.4)
Other income	7.1	-	969	(100.0)
Depreciation expenses on plant and equipment		(27)	(29)	(6.9)
Staff costs		(547)	(420)	30.2
Direct operating expenses of investment properties		(1,786)	(1,474)	21.2
Other operating expenses		(344)	(309)	11.3
Results from operating activities		5,202	8,668	(40.0)
Finance income		270	638	(57.7)
Finance costs		(5,822)	(7,394)	(21.3)
Net finance costs	7.1	(5,552)	(6,756)	(17.8)
(Loss)/Profit before taxation	7	(350)	1,912	(>100.0)
Income tax expense	8	(58)	(391)	(85.2)
(Loss)/Profit for the period		(408)	1,521	(>100.0)
Other comprehensive income, net of tax		1,662	191	>100.0
Total comprehensive income		1,254	1,712	(26.7)
 (Loss)/Profit for the period attributable to:				
Owners of the Company		(408)	1,521	>(100.0)
 Total comprehensive income attributable to:				
Owners of the Company		1,254	1,712	(26.7)
 <i>n/m: not meaningful</i>				
 (Loss)/Earnings per share, cents				
Basic		(0.03)	0.10	
Diluted		(0.03)	0.10	

1st 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	
		30.09.2021	31.03.2021	30.09.2021	31.03.2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Plant and equipment	11	125	152	1	1
Other assets	12	5,689	5,689	-	-
Investments in subsidiaries		-	-	315,337	315,337
Investment properties	13	566,050	566,050	-	-
		<u>571,864</u>	<u>571,891</u>	<u>315,338</u>	<u>315,338</u>
Current assets					
Trade and other receivables		7,104	7,070	403	295
Time deposit		44,600	-	-	-
Cash and cash equivalents		81,699	126,555	479	136
		<u>133,403</u>	<u>133,625</u>	<u>882</u>	<u>431</u>
Total assets		<u>705,267</u>	<u>705,516</u>	<u>316,220</u>	<u>315,769</u>
Equity					
Share capital		255,318	255,318	262,106	262,106
Other reserves		46,929	45,267	(456)	(456)
Accumulated losses		(19,895)	(19,487)	(29,184)	(28,900)
Total equity		<u>282,352</u>	<u>281,098</u>	<u>232,466</u>	<u>232,750</u>
Non-current liabilities					
Other payables		710	738	-	-
		<u>710</u>	<u>738</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables		1,829	1,876	56,398	55,664
Bank borrowings – secured	14	360,236	359,872	-	-
Derivative financial liabilities		877	2,540	-	-
Amount owing to a shareholder		59,078	59,158	27,353	27,353
Current tax liabilities		185	234	3	2
		<u>422,205</u>	<u>423,680</u>	<u>83,754</u>	<u>83,019</u>
Total liabilities		<u>422,915</u>	<u>424,418</u>	<u>83,754</u>	<u>83,019</u>
Total equity and liabilities		<u>705,267</u>	<u>705,516</u>	<u>316,220</u>	<u>315,769</u>

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

Amount repayable in one year or less, or on demand

As at 30.09.2021		As at 31.03.2021	
Secured	Unsecured	Secured	Unsecured
\$360,236,000	\$59,078,000	\$359,872,000	\$59,158,000

Amount repayable after one year

As at 30.09.2021		As at 31.03.2021	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral: The secured bank loan of the Group is secured over investment property with carrying amount of \$553,000,000 (31.03.2021: \$553,000,000).

(d) Condensed interim consolidated statement of cash flows

Group

	1st half FY2022	1st half FY2021
	\$'000	\$'000
Cash flow from operating activities		
(Loss)/Profit after tax	(408)	1,521
Adjustments for:		
Depreciation expenses on plant and equipment	27	29
Net finance costs	5,552	6,756
Income tax expense	58	391
Operating cash flow before working capital changes	5,229	8,697
Changes in working capital:		
Trade and other receivables	5	(4,103)
Trade and other payables	(75)	402
Cash generated from operations	5,159	4,996
Income tax paid	(107)	(83)
Net cash generated from operating activities	5,052	4,913
Cash flows from investing activities		
Purchase of plant and equipment	-	(2)
Placement of time deposit	(44,600)	(49,999)
Interest income received	230	472
Net cash used in from investing activities	(44,370)	(49,529)
Cash flows from financing activities		
(Decrease)/increase in amount owing to a shareholder	(80)	585
(Increase)/decrease in debt service reserve	(184)	716
Drawdown of short-term loan	-	50,000
Payment of transaction costs related to bank borrowings	-	(750)
Interest paid	(5,458)	(6,513)
Net cash (used in)/generated from financing activities	(5,722)	44,038
Net change in cash and cash equivalents	(45,040)	(578)
Cash and cash equivalents at the beginning of the period	124,759	20,930
Cash and cash equivalents at the end of the period	79,719	20,352

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:

	1st half FY2022	1st half FY2021
	\$'000	\$'000
Cash at bank and on hand	69,700	10,814
Fixed deposit	11,999	11,999
Cash and cash equivalents in the statement of financial position	81,699	22,813
Less: Debt service reserve	(1,980)	(2,461)
Cash and cash equivalents in the statement of cash flows	79,719	20,352

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 capital	Capital reserve	Hedging reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2020	255,318	46,677	(3,630)	49,257	347,622
Profit for the period	-	-	-	1,521	1,521
Other comprehensive income					
Effective portion of changes in fair value of cash flow hedges	-	-	191	-	191
Total comprehensive income for the period	-	-	191	1,521	1,712
At 30 September 2020	255,318	46,677	(3,439)	50,778	349,334
At 1 April 2021	255,318	46,677	(1,410)	(19,487)	281,098
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
At 30 September 2021	255,318	46,677	252	(19,895)	282,352

Company

	Share capital	Capital reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
At 1 April 2020	262,106	(456)	2,006	263,656
Loss for the period/ Total comprehensive income for the period	-	-	(227)	(227)
At 30 September 2020	262,106	(456)	1,779	263,429
At 1 April 2021	262,106	(456)	(28,900)	232,750
Loss for the period/ Total comprehensive income for the period	-	-	(284)	(284)
At 30 September 2021	262,106	(456)	(29,184)	232,466

(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 30.09.2021	As at 30.09.2020
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>	As at 30.09.2021	As at 31.03.2021
Total number of issued shares (excluding treasury shares)	1,592,469,212	1,592,469,212

There were no shares held as treasury shares as at 30 September 2021 and 31 March 2021.

(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 2021 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 2021 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 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.

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 2021:

- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)

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 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 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 1HFY2022.

(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 \$7.0 million (1H2021: \$7.9 million) is derived from 5 (1H2021: 7) 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 (1HFY2021: 3 per cent) or more of the Group's revenue.

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

	Group	1H FY2022 \$'000	1H FY2021 \$'000	Change %
(a)	Sales reported for first half year	7,906	9,931	(20.4)
(b)	Operating (loss)/profit after taxation reported for first half year	(408)	1,521	(>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 \$'000	Fair value hedging instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
30 September 2021				
Trade and other receivables*	5,427	–	–	5,427
Time deposit	44,600	–	–	44,600
Cash and cash equivalents	81,699	–	–	81,699
	<u>131,726</u>	<u>–</u>	<u>–</u>	<u>131,726</u>
Bank borrowings – secured	–	–	(360,236)	(360,236)
Trade and other payables#	–	–	(2,256)	(2,256)
Derivative financial liabilities	–	(877)	–	(877)
Amount owing to a shareholder	–	–	(59,078)	(59,078)
	<u>–</u>	<u>(877)</u>	<u>(421,570)</u>	<u>(422,447)</u>
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Derivative financial liabilities	–	(877)	–	(877)

Group	Carrying amount			
	Financial assets at amortised cost \$'000	Fair value hedging instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
31 March 2021				
Trade and other receivables*	6,725	–	–	6,725
Cash and cash equivalents	126,555	–	–	126,555
	<u>133,280</u>	<u>–</u>	<u>–</u>	<u>133,280</u>
Bank borrowings – secured	–	–	(359,872)	(359,872)
Trade and other payables#	–	–	(2,324)	(2,324)
Derivative financial liabilities	–	(2,540)	–	(2,540)
Amount owing to a shareholder	–	–	(59,158)	(59,158)
	<u>–</u>	<u>(2,540)</u>	<u>(421,354)</u>	<u>(423,894)</u>
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Derivative financial liabilities	–	(2,540)	–	(2,540)

Company	Carrying amount			
	Financial assets at amortised cost \$'000	Loans and receivables \$'000	Other financial liabilities \$'000	Total \$'000
30 September 2021				
Trade and other receivables*	379	–	–	379
Cash and cash equivalents	479	–	–	479
	<u>858</u>	<u>–</u>	<u>–</u>	<u>858</u>
Trade and other payables#	–	–	(56,398)	(56,398)
Amount owing to a shareholder	–	–	(27,353)	(27,353)
	<u>–</u>	<u>–</u>	<u>(83,751)</u>	<u>(83,751)</u>

	Carrying amount			Total \$'000
	Financial assets at amortised cost \$'000	Loans and receivables \$'000	Other financial liabilities \$'000	
31 March 2021				
Trade and other receivables*	278	–	–	278
Cash and cash equivalents	136	–	–	136
	414	–	–	414
Trade and other payables#	–	–	(55,664)	(55,664)
Amount owing to a shareholder	–	–	(27,353)	(27,353)
	–	–	(83,017)	(83,017)

* 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.

Financial derivatives

The fair value of interest rate swaps is based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

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 2021. 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.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 March 2021				
Commercial property for leasing	–	–	553,000	553,000
Residential properties for leasing	–	–	13,050	13,050
Total investment properties	–	–	566,050	566,050
Interest rate swaps used for hedging	–	(2,540)	–	(2,540)

The fair value of interest rate swaps is based on bank quotes on the reporting date.

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
Investment properties			
Commercial properties	Market comparison approach	Pre-adjusted comparable sales price: \$27,470 to \$34,121 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: \$17,873 to \$27,500 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. (Loss)/Profit before taxation

7.1. Significant items

	Group	
	1st half FY2022 \$'000	1st half FY2021 \$'000
Rent and service income	7,906	9,931
<u>Other income</u>		
Wage Credit Scheme payout	-	3
Cash Grants in relation to COVID-19	-	966
	-	969
<u>Net finance costs</u>		
<u>Finance income</u>		
Interest income on deposits with banks	270	638
<u>Finance costs</u>		
Interest expense on bank borrowings - secured	(5,458)	(6,650)
Amortisation of transaction costs related to bank	(364)	(744)
	(5,552)	(6,756)

7.2. Related party transactions

There are no material related party transactions during the financial period ended 30 September 2021 (30 September 2020: Nil).

8. Taxation

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

	Group	
	1 st half FY2022	1 st half FY2021
	\$'000	\$'000
<i>Tax recognised in profit or loss</i>		
Income tax expense		
- current period	58	391
	<u>58</u>	<u>391</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 st half FY2022	1 st half FY2021
	\$'000	\$'000
<i>Reconciliation of effective tax:</i>		
(Loss)/Profit for the period	(408)	1,521
Total tax expense	58	391
(Loss)/Profit before tax	<u>(350)</u>	<u>1,912</u>
Tax using the Singapore tax rate of 17% (FY2021: 17%)	(60)	325
Singapore statutory stepped income exemption	(16)	(50)
Non-deductible expenses	139	135
Non-taxable income	(5)	(19)
	<u>58</u>	<u>391</u>

9. Net asset value

	Group		Company	
	As at 30.09.2021	As at 31.03.2021	As at 30.09.2021	As at 31.03.2021
	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	17.7	17.7	14.6	14.6

The net asset value per ordinary share has been calculated based on 1,592,469,212 shares as at 30 September 2021 (31 March 2021: 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 2021, there has been no addition and disposal of these assets.

12. Other assets

During the six months ended 30 September 2021, there has been no addition and disposal of these assets.

13. Investment properties

	Group	
	30.09.2021	31.03.2021
	\$'000	\$'000
At beginning of period	566,050	832,900
Disposal of investment property	–	(260,100)
Changes in fair value	–	(6,750)
At end of period	<u>566,050</u>	<u>566,050</u>

Investment properties comprise one (31.03.2021: two) commercial building and three (31.03.2021: 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.

On 26 November 2020, a commercial building was disposed to a third party at a total cash consideration of \$200,000,000. The loss on disposal of investment property of \$60,100,000 was recognised in statement of comprehensive income.

Security

At 30 September 2021, investment properties of the Group with carrying amount of approximately \$553,000,000 (31.03.2021: \$553,000,000) 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 2021.

14. Bank borrowings - secured

	Group	
	30.09.2021	31.03.2021
	\$'000	\$'000
Current		
Secured bank loans	360,400	360,400
Unamortised transaction costs	(164)	(528)
	<u>360,236</u>	<u>359,872</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 per annum		30.09.2021 \$'000	31.03.2021 \$'000
		1HFY2022	1HFY2021		
Group					
Secured bank loan	December 2021	3.02%	3.02%	360,236	359,872
				<u>360,236</u>	<u>359,872</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 2021.

- (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 2021, 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 st half FY2022	1 st half FY2021
	S\$'000	S\$'000
(Loss)/Profit for the period attributable to:		
Owners of the Company	<u>(408)</u>	<u>1,521</u>
	1 st half FY2022	1 st half FY2021
	'000	'000
Weighted average number of ordinary shares during the period	<u>1,592,469</u>	<u>1,592,469</u>
	1 st half FY2022	1 st half FY2021
	Cents	Cents
(Loss)/Earnings per ordinary share based on:-		
(a) the weighted average number of ordinary shares on issue; and	<u>(0.03)</u>	<u>0.10</u>
(b) a fully diluted basis	<u>(0.03)</u>	<u>0.10</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 30.09.2021	As at 31.03.2021	As at 30.09.2021	As at 31.03.2021
	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	17.7	17.7	14.6	14.6

5. Review of Group Performance

1HFY2022 vs 1HFY2021

REVENUE

	6 months ended		Change
	30.09.2021	30.09.2020	
	1 st half	1 st half	
	FY2022	FY2021	
	\$'000	\$'000	%
Revenue	7,906	9,931	(20.4)

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

Group's revenue for 1HFY2022 decreased by (20.4%). This is primarily due to loss of rent and service income following the disposal of an investment property, ABI Plaza which was completed in November 2020.

OTHER INCOME

Other income for 1HFY2021 comprised mainly cash grants received from the Singapore government in relation to COVID-19. There is no such income in 1HFY2022.

EXPENSES

	6 months ended		Change
	30.09.2021	30.09.2020	
	1 st half	1 st half	
	FY2022	FY2021	
	\$'000	\$'000	%
Depreciation	(27)	(29)	(6.9)
Staff costs	(547)	(420)	30.2
Direct operating expenses of investment properties	(1,786)	(1,474)	21.2
Other operating expenses	(344)	(309)	11.3
Net finance costs	(5,552)	(6,756)	(17.8)
Income tax expense	(58)	(391)	(85.2)
Total	(8,314)	(9,379)	(11.4)

Total expenses of the Group for 1H FY2022 have decreased by 11.4% 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.
- Direct operating expenses of investment properties in 1HFY2021 were lower in comparison with 1HFY2022, owing to property tax rebates received from the government. Additionally, during the Circuit Breaker period from April 2020 to May 2020, expenses such as utilities usage and maintenance costs incurred were lower.
- Other operating expenses are expenses comprised mainly audit and tax agent fees, corporate secretarial fees, legal and professional fees and administrative expenses. The increase for 1HFY2022 mainly resulted from higher legal and professional fees incurred.

Breakdown of other operating expenses:

	6 months ended		Change
	30.09.2021	30.09.2020	
	1 st half	1 st half	
	FY2022	FY2021	
	\$'000	\$'000	%
Legal and professional fees	(150)	(122)	23.0
Administrative expenses	(194)	(187)	3.7
Total	(344)	(309)	11.3

- Net finance costs comprised interest on bank borrowings and amortization of transaction costs, net off by interest income. Net finance costs in 1HFY2022 are 17.8% lower compared to 1HFY2021, mainly resulted from lower bank borrowings.
- Lower income tax expense is in line with the decrease in estimated chargeable income.

RESULTS FROM OPERATING ACTIVITIES

The Group's operating profits decreased by >100.0%. Reasons are mentioned in the preceding paragraphs.

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group incurred a net loss of \$0.4 million in 1st half FY2022. Reasons are mentioned in the preceding paragraphs.

OTHER COMPREHENSIVE INCOME

In 1HFY2022, other comprehensive income of \$1.7 million (1HFY2021: \$0.2 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.

GROUP'S STATEMENT OF FINANCIAL POSITION

Plant and equipment decreased due mainly to depreciation charge for the period ended 30 September 2021.

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 2021, the carrying amount of these other assets remained unchanged as compared to financial year ended 31 March 2021.

Investment properties as at 30 September 2021 remained unchanged as compared to 31 March 2021. Valuation of investment properties are performed annually at financial year end in March.

Trade and other receivables as at 30 September 2021 remain similar to that of 31 March 2021 balances. The marginal increase is owing to increased prepaid expenses, partly offset by decrease in accrued revenue and decrease in trade and other receivables.

A time deposit was placed with bank to generate interest income during the financial period ended 30 September 2021. There was no such item as at 31 March 2021.

As at 30 September 2021, share capital remained the same as the last financial year ended 31 March 2021 at \$255.3 million.

Other reserves of the Group and Company comprise capital reserve and hedging reserve as follows:

	Group		Company	
	30.09.2021	31.03.2021	30.09.2021	31.03.2021
	\$'000	\$'000	\$'000	\$'000
Capital reserve	46,677	46,677	(456)	(456)
Hedging reserve	252	(1,410)	–	–
	<u>46,929</u>	<u>45,267</u>	<u>(456)</u>	<u>(456)</u>

Hedging reserve of the Group represents the effective portion of the change in fair value of cash flow hedges at reporting date.

Increase in accumulated losses is due to net loss incurred 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 2021. The decrease is resulted from security deposits for occupancy agreements which are expiring within 12 months from 30 September 2021, being reclassified from non-current to current liabilities.

Trade and other payables in current liabilities of the Group have decreased compared to balances at 31 March 2021. This is mainly due to decrease in accrued expenses, partly offset by increase in trade payables and security deposit for certain occupancy agreements have been reclassified from non-current to current liabilities.

Bank borrowings as at 30 September 2021 under current liabilities comprised the following:

	Group	
	30.09.2021	31.03.2021
	\$'000	\$'000
Secured bank loans	360,400	360,400
Unamortised transaction costs	(164)	(528)
	<u>360,236</u>	<u>359,872</u>

The increase in current bank borrowings is due amortisation of transaction costs in 1HFY2022.

On 28 September 2021, the Group through its wholly owned subsidiary has accepted an offer for a five (5)-year term loan up to S\$325.0 million from Hong Leong Finance Limited to refinance its current term loan of \$360.4 million. The remaining S\$35.4 million will be repaid on maturity date in December 2021 using the Group's funds.

Derivative financial liabilities represent the fair value of interest rate swap (IRSs) contracts entered by the Group through its subsidiary company, to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on its borrowings from floating rates to fixed rates. As at 30 September 2021, the Group has interest rate swap contracts with a total notional amount of \$182.0 million (31.03.2021: \$182.0 million) which mature in December 2021. Under the contracts, the Group pays fixed interest rates ranging from 1.95% to 2.25% (FY2021: 1.95% to 2.25%) per annum and receives interest at one-month Singapore Dollar SOR. The decrease of \$1.7 million represents a favourable change in fair values of the IRSs as at 30 September 2021 as compared to 31 March 2021.

Amount owing to a shareholder is unsecured, non-interest bearing and has no fixed term of repayment.

Decrease in current tax liabilities is due to income tax paid during the current period, offset by provision made based on estimated chargeable income in 1HFY2022.

As at 30 September 2021, the Group has a negative working capital of approximately \$288.8 million (31 March 2021: \$290.1 million) mainly due to a bank loan with maturity date in December 2021 being reclassified from non-current to 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 Group to continue its operations and meet its financial obligations as and when they fall due.

COMPANY'S STATEMENT OF FINANCIAL POSITION

As at 30 September 2021, investments in subsidiaries remained the same as the last financial year ended 31 March 2021, at \$315.3 million, representing costs of investments in the three subsidiaries of the Company less impairment loss recognised in FY2021.

Increase in trade and other receivables is mainly due to higher amount of accrued income and prepaid expenses, partly offset by decrease in trade receivables.

Increase in cash and cash equivalents is resulted from loan from a subsidiary, offset by payments made for operating expenses in the current period 1HFY2022.

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 lower amount of accrued operating expenses.

Amount owing to a shareholder is unsecured, non-interest bearing and has no fixed term of repayment.

Increase in current tax liabilities is due to provision for income tax made in 1HFY2022.

As at 30 September 2021, the Company has a negative working capital of approximately \$82.9 million (31 March 2021: \$82.6 million), mainly due to amount owing to a shareholder and amounts due to subsidiaries 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 2021 stood at approximately \$79.7 million as compared to \$20.4 million in the corresponding period ended 30 September 2020.

1st half FY2022 vs 1st half FY2021

The increase is mainly attributable to the following factors:

- Increase in net cash generated from operating activities due to cash inflow from changes in working capital, offset by lower cash from operations following the disposal of an investment property and higher tax paid.

- Decrease in net cash used in investing activities mainly due to lower amount of placement of time deposit, offset by lower interest income received.
- Net cash generated from financing activities decreased due to the absence of drawdown of short-term loan, cash outflows for debt service reserve and amount owing to a shareholder, offset by lower interest paid and the absence of payment of transaction costs related to bank borrowings.

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 softening of 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 2021.

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 2021 to be false or misleading.

BY ORDER OF THE BOARD

Jonathan Tahir
Executive Chairman and Chief Executive Officer

11 November 2021