



HEETON HOLDINGS LIMITED
Incorporated in the Republic of Singapore
(Company Registration Number: 197601387M)

Heeton Holdings Limited and its Subsidiaries

Condensed Interim Financial Statements
For the Six Months and Full Year ended 31 December 2024

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Heeton Holdings Limited and its Subsidiaries

Condensed interim consolidated statement of comprehensive income For the Six Months and Full Year ended 31 December 2024

		Group					
		6 Months Ended 31 December			Year Ended 31 December		
		2024	2023	Increase / (Decrease)	2024	2023	Increase / (Decrease)
Note		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	Revenue	41,053	37,158	10.5	78,160	67,857	15.2
	Other operating income	1,171	1,128	3.8	2,420	2,318	4.4
	Personnel expenses	(11,942)	(11,177)	6.8	(23,423)	(21,560)	8.6
	Depreciation of property, plant and equipment	(2,824)	(2,847)	(0.8)	(5,740)	(5,233)	9.7
	Other operating expenses	(14,646)	(11,826)	23.8	(29,363)	(25,843)	13.6
	Profit from operations	12,812	12,436	3.0	22,054	17,539	25.7
	Finance expenses	(15,449)	(14,917)	3.6	(29,510)	(27,392)	7.7
	Finance income	512	845	(39.4)	1,300	2,891	(55.0)
	Fair value (losses)/gains on derivative financial instruments	(78)	(172)	(54.7)	16	(135)	(111.9)
	Fair value gain on investment security	2,572	3,198	(19.6)	2,572	3,198	(19.6)
	Reversal of impairment/(impairment) of property, plant and equipment	4,341	(1,927)	(325.3)	4,341	(1,927)	(325.3)
	Impairment on investment in associated company	-	-	n.m	-	(1,660)	(100.0)
	(Impairment)/reversal of impairment on financial assets	(6,119)	1,420	(530.9)	(7,139)	2,176	(428.1)
	Share of results of associated companies/joint venture companies	2,049	(117)	(1,851.3)	2,214	(1,139)	(294.4)
	Gain from fair value adjustments of investment properties	3,513	2,497	40.7	3,513	4,497	(21.9)
	Gain on disposal of property, plant and equipment	650	-	n.m	650	-	n.m
	Gain on disposal of subsidiaries	3,776	-	n.m	3,776	-	n.m
	Profit/(Loss) before tax	8,579	3,263	162.9	3,787	(1,952)	(294.0)
	Income tax expense	(2,333)	(4,199)	(44.4)	(3,062)	(4,625)	(33.8)
	Profit/(Loss) for the year, net of tax	6,246	(936)	(767.3)	725	(6,577)	(111.0)
	Other comprehensive income/(loss)						
	<u>Item that may be reclassified subsequently to profit or loss:</u>						
	Foreign currency translation	7,677	(1,760)	(536.2)	8,510	2,290	271.6
	Other comprehensive income/(loss) for the year, net of tax	7,677	(1,760)	(536.2)	8,510	2,290	271.6
	Total comprehensive Income/(loss) for the year	13,923	(2,696)	(616.4)	9,235	(4,287)	(315.4)
	Profit/(Loss) attributable to:						
	Owners of the Company	3,852	1,200	221.0	(1,375)	(3,180)	(56.8)
	Non-controlling interests	2,394	(2,136)	(212.1)	2,100	(3,397)	(161.8)
	Profit/(Loss) attributable to:	6,246	(936)	(767.3)	725	(6,577)	(111.0)
	Total comprehensive income/(loss) attributable to:						
	Owners of the Company	11,213	(1,829)	(713.1)	7,893	509	1,450.7
	Non-controlling interests	2,710	(867)	(412.6)	1,342	(4,796)	(128.0)
	Total comprehensive income/(loss) attributable to:	13,923	(2,696)	(616.4)	9,235	(4,287)	(315.4)

n.m. : not meaningful

The accompanying notes form an integral part of these condensed interim financial statements.

Heeton Holdings Limited and its Subsidiaries

Condensed Interim Balance Sheets As at 31 December 2024

	Note	Group		Company	
		31/12/2024 \$'000	31/12/2023 \$'000	31/12/2024 \$'000	31/12/2023 \$'000
Non-current assets					
Property, plant and equipment	9	418,830	401,913	273	371
Investment properties	10	226,817	222,882	-	-
Subsidiaries		-	-	41,237	41,237
Associated companies		15,196	16,570	-	-
Joint venture companies		94,011	93,306	5,000	5,000
Investment securities		7,201	4,629	-	-
Amounts due from associated companies and joint venture companies		54,466	59,535	-	-
Derivative financial instruments	8	-	107	-	107
Intangible assets		-	109	-	-
Other receivables	13	30,571	12,871	17,300	-
Deferred tax asset		1,372	1,557	-	-
		848,464	813,479	63,810	46,715
Current assets					
Development properties		20,664	19,188	-	-
Trade receivables		2,542	1,054	-	-
Other receivables	13	35,160	56,781	52	22,210
Prepayments		1,546	2,621	583	877
Amounts due from subsidiaries (non-trade)		-	-	301,722	277,420
Amounts due from related parties (trade)		1	65	1	1
Amounts due from associated companies and joint venture companies		20,332	4,683	4,419	2,205
Derivative financial instruments	8	24	89	24	89
Treasury Bills		2,000	10,586	2,000	10,586
Fixed deposits		19,984	23,371	19,984	22,506
Cash and bank balances		34,599	40,707	3,561	7,946
		136,852	159,145	332,346	343,840
Current liabilities					
Trade payables		1,750	3,572	656	1,607
Other payables and accruals		18,964	18,648	2,544	1,125
Amounts due to subsidiaries (non-trade)		-	-	185,216	189,206
Lease liabilities		48	78	39	39
Bank term loans	11	57,636	100,338	16,485	1,176
Income tax payable		4,780	5,474	-	88
		83,178	128,110	204,940	193,241
Net current assets		53,674	31,035	127,406	150,599
Non-current liabilities					
Other payables and accruals		1,571	1,553	-	-
Lease liabilities		5,227	6,334	98	137
Amounts due to associated companies and joint venture companies (non-)		46,078	46,147	36,411	37,135
Amounts due to non-controlling interests (non-trade)		68,508	69,142	-	-
Bonds	12	53,800	53,800	53,800	53,800
Bank term loans	11	303,005	247,303	-	770
Deferred tax liabilities		2,113	2,133	154	154
		480,280	426,412	90,463	91,996
Net assets		421,858	418,102	100,753	105,318
Share capital and reserves					
Share capital	14	86,624	86,624	86,624	86,624
Treasury Shares	15	(63)	(63)	(63)	(63)
Foreign currency translation reserve		(6,270)	(15,538)	-	-
Retained earnings		350,722	353,926	14,192	18,757
		431,013	424,949	100,753	105,318
Non-controlling interests		(9,155)	(6,847)	-	-
Total equity		421,858	418,102	100,753	105,318

The accompanying notes form an integral part of these condensed interim financial statements.

**Condensed interim consolidated statement of changes in equity
For the year ended 31 December 2024**

Group	Attributable to equity holders of the Company						
	Share Capital	Treasury Shares	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-controlling Interests	Total Equity
	S\$'000 (Note 14)	S\$'000 (Note 15)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2023	86,624	-	(19,227)	358,935	426,332	(2,051)	424,281
Loss for the year	-	-	-	(3,180)	(3,180)	(3,397)	(6,577)
Other comprehensive income/(loss)							
- Foreign currency translation	-	-	3,689	-	3,689	(1,399)	2,290
Total comprehensive income/(loss) for the year	-	-	3,689	(3,180)	509	(4,796)	(4,287)
Treasury shares	-	(63)	-	-	(63)	-	(63)
Dividends on ordinary shares	-	-	-	(1,829)	(1,829)	-	(1,829)
Balance at 31 December 2023	86,624	(63)	(15,538)	353,926	424,949	(6,847)	418,102
Balance at 1 January 2024	86,624	(63)	(15,538)	353,926	424,949	(6,847)	418,102
Profit/(Loss) for the year	-	-	-	(1,375)	(1,375)	2,100	725
Other comprehensive income/(loss)							
- Foreign currency translation	-	-	9,268	-	9,268	(758)	8,510
Total comprehensive income/(loss) for the year	-	-	9,268	(1,375)	7,893	1,342	9,235
Disposal of subsidiaries with non-controlling Interests	-	-	-	-	-	(3,650)	(3,650)
Dividends on ordinary shares	-	-	-	(1,829)	(1,829)	-	(1,829)
Balance at 31 December 2024	86,624	(63)	(6,270)	350,722	431,013	(9,155)	421,858
Company	Share Capital	Treasury shares	Retained Earnings	Total Equity			
	S\$'000	S\$'000	S\$'000	S\$'000			
	(Note 14)	(Note 15)					
Balance at 1 January 2023	86,624	-	16,913	103,537			
Total comprehensive income for the year	-	-	3,673	3,673			
Treasury Shares	-	(63)	-	(63)			
Dividends on ordinary shares	-	-	(1,829)	(1,829)			
Balance at 31 December 2023	86,624	(63)	18,757	105,318			
Balance at 1 January 2024	86,624	(63)	18,757	105,318			
Total comprehensive loss for the year	-	-	(2,736)	(2,736)			
Dividends on ordinary shares	-	-	(1,829)	(1,829)			
Balance at 31 December 2024	86,624	(63)	14,192	100,753			

The accompanying notes form an integral part of these condensed interim financial statements.

Heeton Holdings Limited and its Subsidiaries

Condensed interim consolidated statement of cash flows For the year ended 31 December 2024

	Group	
	2024 \$'000	2023 \$'000
Cash flows generated from operating activities		
Profit/(Loss) before tax	3,787	(1,952)
Adjustments for:		
Depreciation of property, plant and equipment	5,740	5,233
Fair value (gains)/losses on derivatives financial instruments	(16)	135
Fair value gain on investment security	(2,572)	(3,198)
(Reversal of Impairment)/Impairment of property, plant and equipment	(4,341)	1,927
Impairment on investment in associated company	-	1,660
Gain from fair value adjustments of investment properties	(3,513)	(4,497)
Impairment/(Reversal of impairment) on financial assets	7,139	(2,176)
Share of results of associated companies/joint venture companies	(2,214)	1,139
Interest expense	29,510	27,392
Interest income	(1,300)	(2,891)
Gain on disposal of subsidiaries	(3,776)	-
Gain on disposal of property, plant and equipment	(650)	-
Goodwill written off	109	-
Unrealised exchange differences	1,306	(2,421)
Operating cash flows before changes in working capital	29,209	20,351
Increase in development property	(1,145)	(1,038)
Increase in trade receivables	(1,400)	(333)
Decrease/(Increase) in other receivables	3,888	(5,424)
Decrease/(Increase) in prepayments	1,087	(906)
(Decrease)/Increase in trade payables	(1,829)	777
Increase in other payables and accruals	323	4,147
Decrease/(Increase) in amounts due from related parties	63	(19)
Cash flows from operations	30,196	17,555
Interest received	1,300	2,891
Interest paid, excluding amounts capitalised	(29,510)	(26,694)
Income taxes paid	(4,153)	(2,582)
Net cash flows used in operating activities	(2,167)	(8,830)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	26,426	-
Additions to property, plant and equipment	(40,357)	(25,160)
Dividend income from associated companies and joint venture companies	3,800	6,300
Net (loan to)/repayment from associated companies and joint venture companies	(24,446)	41,534
Proceeds from disposal of subsidiaries	11,366	-
Proceeds on maturity/(purchase) of treasury bills	8,586	(10,586)
Net cash (used in)/from investing activities	(14,625)	12,088
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(356)	(339)
Proceeds from bank loans	34,389	14,201
Repayment of bank loans	(23,596)	(8,672)
Repayment of loan to non-controlling interests	(1,541)	5,917
Repayment of bond	-	(8,930)
Purchase of treasury shares	-	(63)
Dividends paid on ordinary shares of the Company	(1,829)	(1,829)
Restricted cash - cash pledge for bank facility	(22,977)	(1,755)
Net cash used in financing activities	(15,910)	(1,470)
Net (decrease)/increase in cash and cash equivalents	(32,702)	1,788
Effect of exchange rate changes on cash and cash equivalents	230	744
Cash and cash equivalents at beginning of year	62,323	59,791
Cash and cash equivalents at end of year	29,851	62,323
Note: Cash and cash equivalents		
	Group	
	2024 \$'000	2023 \$'000
Fixed deposits	19,984	23,371
Cash and bank balances	34,599	40,707
Cash and cash equivalents per balance sheet	54,583	64,078
Restricted cash - cash pledge for bank facility	(24,732)	(1,755)
Cash and cash equivalents at end of year	29,851	62,323

The accompanying notes form an integral part of these condensed interim financial statements.

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the year ended 31 December 2024

1. Corporate information

Heeton Holdings Limited (the "Company") is a limited liability company domiciled and incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The registered office and principal place of business is located at 60 Paya Lebar Road, #08-36, Paya Lebar Square, Singapore 409051.

These condensed interim consolidated financial statements as at and for the year ended 31 December 2024 comprised the Company and its subsidiaries (collectively, the Group). The Company's and the Group's principal activities are in property development, hotel operations and investment holding.

2. Basis of preparation

The unaudited condensed interim consolidated financial statements of the Group and the statement of changes in equity and balance sheet of the Company have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standard 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 December 2023.

The condensed interim financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The condensed interim financial statements are presented in Singapore dollars (Dollars ("SGD" or "\$") and all values in the tables are recorded to the nearest thousand ("'\$000") except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The Group has applied the same accounting policies and methods of computation consistent with those used in the audited financial statements for the financial year ended 31 December 2023 in the preparation of the consolidated financial statements for the current reporting period except for the adoption of revised SFRS(I) (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2024. The adoption of these revised SFRS(I) and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

2.2 Use of judgements and estimates

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The critical accounting estimates and key judgement areas of the Group are outlined in further detail in the following sections of this financial report:

- Property, plant and equipment (Note 9)
- Determination of fair value of investment properties (Note 10)

2. Basis of preparation (cont'd)

2.3 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statement was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged independent valuation specialists, where necessary, to determine fair value as at 31 December 2024 for investment properties that are likely to differ materially from the fair values recognised at the end of the previous financial year. The two valuation techniques adopted were the Market Comparable Approach Method and Income Approach Method. The former involves analysing recent sales evidence of similar properties. Adjustments are made to differences in location, age, tenure, floor area, condition, exposure, date of sale, amongst other factors, before arriving at the market value of the property. The latter involves the conversion of the net income of the property into a capital sum at a suitable rate of return which reflects the quality of the investment. The net income is the balance sum after deducting property tax, cost of repairs and maintenance and a reasonable percentage for vacancy from the gross rent. The value of the property is arrived at by capitalising the net rent at a suitable rate of return.

The independent valuers have considered the global economic uncertainty as a result of heightened macro-economic, geopolitical and supply chain risks and have made necessary adjustments to the valuation. The valuation reports also highlighted that given the ongoing geopolitical headwinds, economic uncertainty and rising interest costs, these may have impact on the economy and property market.

(b) Impairment assessment of property, plant and equipment

An impairment exists when the carrying value of property, plant and equipment exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset.

Management assesses whether there are trigger events indicating potential impairment at each reporting date. Where applicable, the Group considers independent valuation reports of valuation specialists to support the recoverable amounts of certain property, plant and equipment. The fair values are determined by external specialists using valuation techniques which involve the use of estimates and assumptions which are reflective of current market conditions.

Certain valuation reports obtained from the external specialist also highlighted the global economic uncertainty as a result of heightened macro-economic, geopolitical and supply chain risks and have made necessary adjustments. The valuation reports also highlighted that given the ongoing geo-political headwinds, economic uncertainty and rising energy and interest costs, these may have impact on the economy and property market.

2. Basis of preparation (cont'd)

2.3 Key sources of estimation uncertainty (cont'd)

(c) Impairment assessment of interest in associates and joint ventures

The Group has significant interests in associates and joint ventures. The Group's interests in associates and joint ventures comprise the investments and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property development. The Group assesses at the end of each reporting period whether there is any objective evidence that the interest is impaired.

The Group applies the general approach to provide for ECLs on amounts due from associates and joint ventures carried at amortised cost. At each reporting date, the Group assesses whether the credit risk of a financial asset has increased significantly since initial recognition. When initial credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

The assessment of whether credit risk of a financial asset has increased significantly since initial recognition is a significant estimate. Credit risk assessment is based on both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

(d) Impairment assessment of other receivables

The Group has other receivables from companies whom are mainly involved in the business of property development. The Group assesses at the end of each reporting period whether there is any objective evidence that the receivables is impaired.

The recoverability of the receivables is dependent on the financial position, performance and cashflows of the debtors, the valuation, estimated selling price and estimated costs to complete (where applicable) of the underlying assets held by them and the debtors' ability to repay via realisation of these underlying assets held. Annually, management conducts an assessment to determine whether any indicator of impairment exists.

The carrying amounts of the Group's interests in other receivables are disclosed in Note 13 to the interim financial statements.

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the year ended 31 December 2024

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

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- I. The property investment segment is engaged in the leasing of residential, retail and commercial properties.
- II. The property development segment is involved in the development and sale of private residential properties.
- III. The corporate segment is involved in Group-level corporate services and treasury functions.
- IV. The hospitality segment is involved in hotel operations and related services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Group	
	2024	2023
	\$'000	\$'000
Revenue from contracts with customers	64,703	55,220
Rental income from investment properties	12,622	11,468
Other rental income	835	1,169
	<hr/>	<hr/>
	78,160	67,857
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Heeton Holdings Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the year ended 31 December 2024**

4. Segment and revenue information (cont'd)

(a) Reportable segments

<u>Year ended 31 December 2024</u>	Property Investment	Property Development	Corporate	Hospitality	Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue:						
Sale to external customers	12,622	-	859	64,679	-	78,160
Intersegment revenue	820	-	7,705	9,427	(17,952)	-
Total revenue	<u>13,442</u>	<u>-</u>	<u>8,564</u>	<u>74,106</u>	<u>(17,952)</u>	<u>78,160</u>
Results:						
Finance income	-	-	30,721	-	(29,421)	1,300
Finance expense	(6,299)	-	(30,672)	(21,158)	28,619	(29,510)
Fair value gains on derivative financial instruments	-	-	16	-	-	16
Fair value gain on investment security	-	2,572	-	-	-	2,572
Reversal of Impairment of property, plant and equipment	-	-	-	4,341	-	4,341
Gain from fair value adjustments of investment properties	3,513	-	-	-	-	3,513
Depreciation of property, plant and equipment	(44)	-	(293)	(5,403)	-	(5,740)
Impairment on financial assets	-	-	(6,119)	(1,020)	-	(7,139)
Share of results of associated companies/joint venture companies	3,233	(860)	33	(192)	-	2,214
Segment profit/(loss) before tax	<u>9,726</u>	<u>1,704</u>	<u>(15,203)</u>	<u>8,362</u>	<u>(802)</u>	<u>3,787</u>
Assets:						
Investment in associated companies and joint venture companies	92,530	634	-	16,043	-	109,207
Additions to non-current assets	161	-	232	39,964	-	40,357
Segment assets	<u>252,621</u>	<u>45,669</u>	<u>1,128,710</u>	<u>581,808</u>	<u>(1,023,492)</u>	<u>985,316</u>
Segment liabilities	<u>185,881</u>	<u>38,443</u>	<u>1,028,017</u>	<u>294,145</u>	<u>(983,028)</u>	<u>563,458</u>

Heeton Holdings Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the year ended 31 December 2024**

4. Segment and revenue information (cont'd)

(a) Reportable segments (cont'd)

Year ended 31 December 2023

	Property Investment \$'000	Property Development \$'000	Corporate \$'000	Hospitality \$'000	Elimination \$'000	Consolidated \$'000
Revenue:						
Sales to external customers	11,433	-	458	55,966	-	67,857
Intersegment revenue	802	-	6,686	8,755	(16,243)	-
Total revenue	12,235	-	7,144	64,721	(16,243)	67,857
Results:						
Finance income	-	-	31,235	-	(28,344)	2,891
Finance expense	(6,391)	-	(29,525)	(18,916)	27,440	(27,392)
Fair value gain on derivative financial instruments	-	-	(135)	-	-	(135)
Fair value gain on investment security	-	3,198	-	-	-	3,198
Impairment of property, plant and equipment	-	-	-	(1,927)	-	(1,927)
Impairment on investment in associated company	-	-	-	(1,660)	-	(1,660)
Loss from fair value adjustment of investment properties	4,497	-	-	-	-	4,497
Depreciation of property, plant and equipment	(21)	-	(272)	(4,940)	-	(5,233)
Impairment on financial assets	-	-	-	2,176	-	2,176
Share of results of associated companies/joint venture companies	2,419	(1,271)	32	(2,319)	-	(1,139)
Segment profit/(loss) before tax	8,573	1,922	(6,226)	(5,317)	(904)	(1,952)
Assets:						
Investment in associated companies and joint venture companies	92,297	1,525	-	16,054	-	109,876
Additions to non-current assets	-	-	746	24,612	-	25,358
Segment assets	246,174	43,046	1,097,312	564,636	(978,544)	972,624
Segment liabilities	161,714	22,571	999,312	306,202	(935,277)	554,522

Heeton Holdings Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the year ended 31 December 2024**

4. Segment and revenue information (cont'd)

(b) Disaggregation of revenue from contracts with customers

Segments	Hospitality		Corporate		Total Revenue	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical markets						
Singapore	–	–	370	232	370	232
United Kingdom	63,968	54,662	365	326	64,333	54,988
	63,968	54,662	735	558	64,703	55,220
Major product or service line						
Hotel operation income	63,968	54,662	–	–	63,968	54,662
Management fee income	–	–	735	558	735	558
	63,968	54,662	735	558	64,703	55,220
Timing of transfer of goods or services						
At a point in time	63,968	54,662	735	558	64,703	55,220

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the year ended 31 December 2024

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2024 and 31 December 2023.

	Group		Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	\$'000	\$'000	\$'000	\$'000
Financial assets measured at amortised cost:				
Amounts due from associated companies and joint venture companies (non-trade)	74,798	64,218	4,419	2,205
Trade receivables	2,542	1,054	-	-
Other receivables	65,731	69,652	17,352	22,210
Amounts due from subsidiaries (non-trade)	-	-	301,722	277,420
Amounts due from related parties (trade)	1	65	1	1
Treasury bills	2,000	10,586	2,000	10,586
Fixed deposits	19,984	23,371	19,984	22,506
Cash and bank balances	34,599	40,707	3,561	7,946
	199,655	209,653	349,039	342,874
Financial liabilities measured at amortised cost:				
Trade payables	1,750	3,572	656	1,607
Other payables and accruals ¹	17,767	16,950	1,809	1,125
	19,517	20,522	2,465	2,732
<i>Other payables (non-current)</i>				
Other payables and accruals	1,571	1,553	-	-
Total trade and other payables	21,088	22,075	2,465	2,732
<i>Loans and borrowings (current)</i>				
Amounts due to subsidiaries (non-trade)	-	-	185,216	189,206
Lease liabilities	48	78	39	39
Bank term loans	57,636	100,338	16,485	1,176
	57,684	100,416	201,740	190,421
<i>Loans and borrowings (non-current)</i>				
Amounts due to associated companies and joint venture companies (non-trade)	46,078	46,147	36,411	37,135
Amounts due to non-controlling interests (non-trade)	68,508	69,142	-	-
Lease liabilities	5,227	6,334	98	137
Bonds	53,800	53,800	53,800	53,800
Bank term loans	303,005	247,303	-	770
Total loans and borrowings	534,302	523,142	292,049	282,263
Total finance liabilities measured at amortised cost	555,390	545,217	294,514	284,995

¹ Excludes non-financial liabilities including advance rental received and provision for interest support.

Heeton Holdings Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the year ended 31 December 2024**

5. Financial assets and financial liabilities (cont'd)

	Group		Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	\$'000	\$'000	\$'000	\$'000
Financial asset at fair value through profit or loss:				
Derivative financial instruments	24	196	24	196

6. Profit/(Loss) before tax

(a) Significant items

	Group	
	FY2024	FY2023
	\$'000	\$'000
Finance income	1,300	2,891
Finance expenses	(29,510)	(27,392)
Depreciation of property, plant and equipment	(5,740)	(5,233)
Fair value gains/(losses) on derivative financial instruments	16	(135)
Fair value gain on investment security	2,572	3,198
Reversal of impairment/(impairment) of property, plant and equipment	4,341	(1,927)
(Impairment)/reversal of impairment on financial assets	(7,139)	2,176
Gain on disposal of property, plant and equipment	650	-
Gain on disposal of subsidiaries	3,776	-

(b) Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

Sale and purchase of goods and services

The following significant transactions between the Group and Company and their related parties took place during the year at terms agreed between the parties:

The following significant transactions between the Group and Company and their related parties

	Group		Company	
	FY2024	FY2023	FY2024	FY2023
	\$'000	\$'000	\$'000	\$'000
Income				
Interest income				
- subsidiaries	-	-	10,892	10,878
- associated companies	40	293	-	-
- joint venture companies	-	380	-	-
Management fee income				
- subsidiaries	-	-	452	366
- associated companies	581	602	120	120
- joint venture companies	2,060	2,076	2,000	2,000
Expenses				
Management fee paid to a subsidiary	-	-	1,584	1,440
Interest expenses				
- subsidiaries	-	-	9,657	9,434
- joint venture companies	2,276	525	2,276	525

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the year ended 31 December 2024

7. Income tax expense

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	
	FY2024	FY2023
	\$'000	\$'000
Current income tax	3,424	4,725
Deferred income (credit)/tax	(362)	(100)
Income tax expense recognised in profit or loss	3,062	4,625

8. Derivative financial instruments

	Group and Company			
	31/12/2024		31/12/2023	
	Outstanding notional amounts	Assets	Outstanding notional amounts	Assets
	\$'000	\$'000	\$'000	\$'000
Current	34,076	24	50,376	89
Non-current	–	–	33,584	107
Interest rate swaps	34,076	24	83,960	196

The Group and the Company entered into interest rate swaps in Pound Sterling and Singapore Dollars to manage its exposure to interest rate fluctuation on its floating rate loans and borrowings. The interest rate swaps will mature in January 2025.

The Group and the Company has not applied hedge accounting. Fair value gains and losses on interest rate swaps are recognised in profit or loss. The fair values of interest rate swaps shown above are determined by marked-to-market values provided by counterparties. The marked-to-market values obtained are determined by reference to market values for similar instruments.

9. Property, plant and equipment

As at 31 December 2024, the carrying value of property, plant and equipment (collectively, “properties”) mainly relating to the Group’s portfolio of hotel properties amounted to \$418,830,000 and accounted for 42.5% of the Group’s total assets. These properties are carried at cost less accumulated depreciation and impairment losses and are subject to an impairment assessment to assess if there are any indicators of impairment at each reporting date.

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the year ended 31 December 2024

9. Property, plant and equipment (cont'd)

Acquisition and disposal of property, plant and equipment

During the year, the Group acquired a hotel in Edinburgh, United Kingdom for an aggregate consideration of approximately \$40.4 million. This transaction was accounted for as an asset acquisition.

During the year, the Group sold a hotel property in Sapporo, Japan with a total net carrying amount of approximately \$23.0 million for a cash consideration of \$26.4 million. The net gain on this disposal was recognised as gain on disposal of property, plant and equipment in the statement of comprehensive income.

10. Investment properties

The Group's investment properties are held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

The Group's investment properties as at 31 December 2024 are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
Tampines Mart (Block 5, 7, 9, 11 Tampines Street 32)	Shops	Leasehold	68 years
62 Sembawang Road	Transport facility	Freehold	Estate in perpetuity
Adam House (7-10 Adam Street, London, United Kingdom)	Serviced office	Freehold	Freehold

	Group	
	31/12/2024	31/12/2023
	\$'000	\$'000
<i>Cost</i>		
Balance at beginning of year	222,882	217,324
Exchange differences	(422)	1,061
Gain from fair value adjustments recognised in profit or loss during the year ended	3,513	4,497
Balance at end of year	<u>226,817</u>	<u>222,882</u>

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the year ended 31 December 2024

10. Investment properties (cont'd)

Valuation of investment properties

For interim financial reporting purposes, the directors review the carrying values of its investment properties carried at fair value and perform an internal valuation, where no independent valuer is involved. In assessing whether the fair values remained appropriate, the directors consider whether any movement in market data such as discount rate, capitalisation rates, changes in underlying cash flows or sales comparable would result in a material impact to the fair values of the investment properties since the end of the previous financial year. The Group will engage external independent qualified valuer whenever the carrying amounts of the investment properties are likely to differ materially from the fair values recognised at the end of the previous financial year.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using the income capitalisation approach where the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth over the unexpired lease term. The most significant input into the income capitalisation valuation approach is the capitalisation rate of 5% to 5.25% (31 December 2023: 5% to 5.5%) per annum.

An increase in capitalisation rate will result in a decrease to the fair value of the investment property.

11. Bank term loans

The following sets out the aggregate amount of the Group's borrowings as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	\$'000	\$'000	\$'000	\$'000
Unsecured	4,659	1,946	4,659	1,946
Secured	355,982	345,695	11,826	–
	<hr/>	<hr/>	<hr/>	<hr/>
	360,641	347,641	16,485	1,946
	<hr/>	<hr/>	<hr/>	<hr/>
Repayable:				
- not later than 1 year	57,636	100,338	16,485	1,176
- 1 year through 5 years	303,005	247,303	–	770
	<hr/>	<hr/>	<hr/>	<hr/>
	360,641	347,641	16,485	1,946
	<hr/>	<hr/>	<hr/>	<hr/>

12. Bonds

The Group had bond issue outstanding as at 31 December 2024 and 31 December 2023 of \$53,800,000 which is unsecured and bears interest at a fixed rate of 7.0% per annum due November 2026.

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the year ended 31 December 2024

13. Other receivables

	Group		Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	\$'000	\$'000	\$'000	\$'000
<i>Non-current portion:</i>				
Senior notes receivables	4,000	-	4,000	-
Promissory notes receivables	14,000	-	14,000	-
Amount due from investee company	13,032	12,572	-	-
Other receivables	26,423	299	26,184	-
Less: Allowance for expected credit loss	(26,884)	-	(26,884)	-
	30,571	12,871	17,300	-
<i>Current portion:</i>				
Senior notes receivables	-	4,000	-	4,000
Promissory notes receivables	18,000	32,000	-	14,000
Other receivables	17,160	41,546	52	24,975
Less: Allowance for expected credit loss	-	(20,765)	-	(20,765)
	35,160	56,781	52	22,210

Amount due from investee company amounting to \$13,032,000 (FY2023: \$12,572,000) relates to shareholder's loan to an investee company are unsecured, bear interest at 4% (FY2023: 4%) per annum, and are not expected to be repaid within the next 12 months, and are to be settled in cash.

Promissory notes receivables are unsecured, with \$14,000,000 which bear interest at 3.0% per annum and repayable in 2026, or if extended, repayable in 2027 and \$18,000,000 which bear interest at 3.5% per annum and are repayable in 2025 (FY2023: \$14,000,000 which bear interest at 3.0% per annum and are repayable in 2024 and \$18,000,000 which bear interest at 3.5% per annum and are repayable in 2024).

Senior notes receivables are unsecured, bear interest at 3% per annum and are repayable in 2026, or if extended, repayable in 2027. (FY2023: Unsecured, bear interest at 3% per annum and are repayable in 2024).

Other receivables are unsecured, with \$8,300,000 which bear interest at 3.5% per annum and \$8,860,000 which are non-interest bearing and are repayable within the next 12 months. The non-current other receivables of \$26,423,000 are unsecured, non-interest bearing and are not expected to be repaid within the next 12 months (FY2023: Other receivables are unsecured, with \$8,300,000 which bear interest at 3.5% per annum and \$33,246,000 which are non-interest bearing and are repayable within the next 12 months. The non-current other receivables of \$299,000 are unsecured, non-interest bearing and are not expected to be repaid within the next 12 months)

Expected credit loss

The expected credit losses relate to receivables from a non-related party undertaking a property development project and assessed based on the estimated realisable value from the development property of this party.

Heeton Holdings Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the year ended 31 December 2024**

14. Share capital

	Group and Company			
	Number of ordinary shares issued			
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
			\$'000	\$'000
At 1 January	487,484,735	487,734,735	86,624	86,624
Shares buyback ¹	–	(250,000)	–	–
At 31 December	487,484,735	487,484,735	86,624	86,624

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

¹ The share buyback was by way of market acquisition during FY2023 with a total of 250,000 shares held as treasury shares.

15. Treasury shares

	Group and Company			
	Number of treasury shares			
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
			\$'000	\$'000
At 1 January	(250,000)	–	(63)	–
Shares buyback	–	(250,000)	–	(63)
At 31 December	(250,000)	(250,000)	(63)	(63)

As at 31 December 2024, the Company held 250,000 treasury shares which represents 0.05% of the total number of issued shares (excluding treasury shares).

Treasury shares relate to ordinary shares of the Company that are held by the Company.

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the year ended 31 December 2024

16. Disposal of subsidiaries

During 2024, the Group disposed of some of its subsidiaries, mainly its 70% interest in subsidiaries, Gloucester Corinium Avenue Hotel Limited and Ensco 1154 Limited for a total net disposal consideration of \$11.4 million.

Financial performance of subsidiaries disposed

The results of the disposed subsidiaries from the beginning of the year to the date of disposal on 19 November 2024 are presented below:

	1 January 2024 to 19 November 2024 \$'000
Revenue and other income	4,853
Expenses	(3,220)
	<hr/>
Profit before tax	1,633
Tax expense	(543)
	<hr/>
Profit for the period	1,090
	<hr/> <hr/>

Assets and liabilities of disposed subsidiaries

The major classes of assets and liabilities of the subsidiaries disposed on 19 November 2024 were as follows:

	19 November 2024 \$'000
Assets and liabilities disposed	
Property, plant and equipment	7,415
Other receivables	60
Cash and cash equivalents	229
Trade and other payables	(338)
Income tax payable	(716)
	<hr/>
Total net assets disposed	6,650
	<hr/> <hr/>

Gain on disposal of subsidiaries

	2024 \$'000
Present value of consideration, net of costs of disposal	10,426
Less: Net assets disposed	(6,650)
	<hr/>
Gain on disposal after tax	3,776
	<hr/> <hr/>

Heeton Holdings Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the year ended 31 December 2024**

16. Disposal of subsidiaries (cont'd)

Cash flows from disposal of subsidiaries

	2024 \$'000
Cash received	11,595
Less: Cash and cash equivalents of subsidiaries disposed	(229)
Net cash inflow	<u>11,366</u>

17. Event occurring after reporting period

In January 2025, the Group together with its partner was awarded the tender for the purchase of a state land parcel from Urban Redevelopment Authority. The Group has an effective stake of 5% in the project.

Heeton Holdings Limited and its Subsidiaries

Other information Required by Listing Rule Appendix 7.2

1. Share capital

- i) **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 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.**

There is no change in the Company's share capital for the period from 1 January 2024 to 31 December 2024. There are no outstanding convertible securities as at 31 December 2024 and 31 December 2023.

- ii) **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 immediate preceding year.**

Refer to note 14 on page 18 – Share capital for more details.

- iii) **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**

Refer to note 15 on page 18 – Treasury shares for more details.

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 qualifications or emphasis of matter)**

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.**

The Group has applied the same accounting policies and methods of computation consistent with those used in the audited financial statements for the financial year ended 31 December 2023 in the preparation of the consolidated financial statements for the current reporting period except for the adoption of revised SFRS(I) (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2024. The adoption of these revised SFRS(I) and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

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, and the effect of, the change**

Not applicable.

Heeton Holdings Limited and its Subsidiaries

Other information Required by Listing Rule Appendix 7.2

- 6. Earnings per 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.**

	Group					
	2H2024	2H2023	Increase/ (decrease)	FY2024	FY2023	Increase/ (decrease)
	Cents	Cents	%	Cents	Cents	%
Earnings per ordinary share from continuing operations attributable to equity holders of the Company for the year						
(a) On a basic basis	0.79	0.25	221.0	(0.28)	(0.65)	(56.8)
(b) On a fully diluted basis	0.79	0.25	221.0	(0.28)	(0.65)	(56.8)

The above are calculated by dividing the net profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the current year of 487,484,735 ordinary shares (31 December 2023: 487,595,274 ordinary shares).

- 7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: -**
a) Current period reported on; and
b) Immediately preceding financial year.

	Group		Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	88.42	87.17	20.67	21.60

The above have been computed based on 487,484,735 ordinary shares in issue as at 31 December 2024 and 31 December 2023 respectively.

Heeton Holdings Limited and its Subsidiaries

Other information Required by Listing Rule Appendix 7.2

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

Commentary on the Consolidated Income Statements

Turnover comprises rental income from investment properties, hotel operation income and management fee.

The Group's turnover for the year ended 31 December 2024 ("FY2024") increased by 15.2% to \$78.16 million compared to \$67.86 million for the previous corresponding year ended 31 December 2023 ("FY2023"). The increase is attributed to increase in hotel operation income due to higher occupancies of the Group's hotels in the United Kingdom as well as increase in rental rates for the Group's investment properties.

Personnel expenses increased by \$1.86 million to \$23.42 million in FY2024 mainly due to higher manpower costs as a result of hotel occupancies and inflation.

Other operating expenses increased to \$29.36 million in FY2024 from \$25.84 million in FY2023 mainly due to higher operating expenses as a result of inflation.

Finance expenses comprised mainly interest on the bond and bank loans. It increased by \$2.12 million to \$29.51 million mainly due to higher interest rate on bank borrowings and additional term loans.

Fair value gain on investment security amounted to \$2.57 million in FY2024 related to the fair value gain on the group's 8% stake in an investment security. (FY2023: \$3.20 million)

The Group recorded a reversal of impairment of \$4.34 million on property, plant and equipment in FY2024 on properties held in the UK based on the current market conditions. (Impairment of \$1.93 million in FY2023)

The Group recorded impairment of \$1.66 million on investment in associated company in FY2023.

The Group recorded impairment of \$7.14 million (reversal of impairment of \$2.18 million in FY2023) on amount due from its associated companies and other receivables.

Share of results from associated companies/joint venture companies was a gain of \$2.21 million in FY2024 compared to a loss of \$1.14 million in FY2023. This is mainly due to higher profit recognised for Sun Plaza.

The Group recorded a net gain from fair value adjustment of investment properties of \$3.51 million in FY2024 mainly from Tampines Mart offset by fair value loss from 62 Sembawang Road.

During 2024, the Group disposed of some of its subsidiaries, mainly its 70% interest in subsidiaries, Gloucester Corinium Avenue Hotel Limited and Ensco 1154 Limited, resulting in a net gain of \$3.78 million.

Income tax expense decreased by \$1.56 million in FY2024 mainly due to higher tax credit received in the year.

Taking into account all the above factors, the Group recorded a net gain after tax of \$0.73 million for FY2024, compared to a net loss after tax of \$6.58 million recorded in FY2023.

Heeton Holdings Limited and its Subsidiaries

Other information Required by Listing Rule Appendix 7.2

Commentary on the Consolidated Balance Sheets

Property, plant and equipment amounting to \$418.83 million comprised mainly hotel properties. The increase of \$16.92 million in FY2024 was mainly due to the acquisition of a hotel in Edinburgh, United Kingdom, the effect of the appreciation of Pound Sterling and reversal of impairment changes offset by the disposal of hotels in Japan and United Kingdom and depreciation charges recognised.

Investment properties increased from \$222.88 million to \$226.82 million mainly due to the net gain from fair value of \$3.51 million recognised and the effect of foreign currency exchange gains.

Investment securities increased from \$4.63 million in FY2023 to \$7.20 million in FY2024 as a result of the fair value gain of \$2.57 million during the year.

Amount due from associated and joint venture companies increased from \$64.22 million in FY2023 to \$74.80 million in FY2024 mainly due to loan injections for investment in a new hotel property in Singapore.

Included in other receivables are mainly Notes receivables totalling \$36.00 million and \$13.03 million arises from the Group's loan to an investment security.

The Group has placed 6-months treasury bills amounting to \$2.00 million in FY2024. Compared to \$10.59 million in FY2023, the lower balance in FY2024 is due to the maturity of the treasury bills.

Fixed deposits, cash and bank balances totalled \$54.58 million in FY2024 compared to \$64.08 million in FY2023. The decrease is mainly due to the acquisition of assets during the year.

The Group has bond issue outstanding as at 31 December 2024 of \$53.80 million, which are unsecured and bears interest at a fixed rate of 7.0% per annum due November 2026.

Total bank term loans and short-term bank loans increased from \$347.64 million in FY2023 to \$360.64 million in FY2024 mainly as a result of additional term loan for new acquisitions.

The Group recorded a significant foreign currency translation gain of \$9.27 million mainly from its United Kingdom-based investments as a result of the appreciation of the Pound Sterling during the year.

Commentary on the Cashflow Statement

The decrease in cash and cash equivalents of \$32.70 million in FY2024 can be attributed to the following major cash inflows and outflows:

Cash inflows:

- proceeds from disposal of property, plant and equipment of \$26.43 million;
- proceeds from disposal of subsidiaries of \$11.37 million;
- net proceed from bank loans of \$10.79 million;
- dividend received from associated and joint venture companies of \$3.80 million; and
- proceeds on maturity of treasury bills of \$8.59 million.

Cash outflows:

- net cash flows used in operating activities of \$2.17 million;
- net repayment of loans from associated and joint venture companies of \$24.45 million;
- additions to property, plant and equipment of \$40.36 million;
- net repayment of loans to non-controlling interest of \$1.54 million;
- restricted cash pledge for bank facility of \$22.98 million; and
- payment of dividend of \$1.83 million.

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

The actual results for the year ended 31 December 2024 of the Group are in line with the statement made in paragraph 10 of the results announcement for the half year ended 30 June 2024.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months –

In the latest IMF World Economic Outlook Update in January 2025, global growth is forecasted to rise steadily to 3.3% in 2025 and 2026. This is partly attributed to falling inflation around the world which is getting closer to central bank targets. However, the performance is uneven across countries and regions, with the United States demonstrating strong domestic demand, while Europe is experiencing a sluggish economy, and emerging countries including China showing resilience or modest growth. Future risks include continued inflation due to a global tariff war or government monetary and fiscal policy changes, and a further weakening or stagflation in the Chinese economy.

Closer to home, Singapore's economic outlook faces greater uncertainty, with the Ministry of Trade and Industry forecasting GDP growth between 1.0% to 3.0% for 2025. The new paradigm for the next four years under the second Trump Presidency in the United States indicates significant macroeconomic uncertainty due to the possibility of a global trade war. China is also grappling with a soft economy due to a real estate slump, while interest rates in Asia are seeing a slower drop due to persistent inflation risks and central bank reaction in the United States. Singapore's position as a global trade and financial hub will therefore be subject to these potential headwinds.

In the face of these potential challenges, Heeton will maintain its prudent and steady strategic expansion. Building on the Group's joint venture purchase of a new hotel in Singapore, which marked Heeton's entry into the Singapore hospitality market, the Group remains on the lookout for further opportunities in both domestic and overseas hospitality markets. The purchase of the Edinburgh aparthotel in December 2024 will bolster Heeton's UK presence, while its Bhutan hotel "Dawa at Hilltop by Heeton", the largest in the country, is targeted to be launched in the second quarter of 2025.

As the hospitality industry continues to face headwinds such as high operating and labour costs, elevated interest rates, and an uncertain macroeconomic environment, the Group will build on its strengths as a bespoke boutique brand offering high quality, experiential stays for its guests. The Group also aims to transform more hotels under its portfolio to its own brand, Heeton Concept Hotel.

For its property development business, the Group continues to participate in land tenders in the local residential market such as government housing schemes, often as part of a consortium. Notwithstanding this, Heeton's two retail malls are also expected to continue to generate steady and recurring income for its property investment business.

Looking ahead into 2025, the Group remains cautiously optimistic while it navigates a challenging macroeconomic environment. The Group will continue to focus on seeking strategic opportunities while maintaining strict cost controls, improve operating efficiencies, and undertaking prudent and strategic partnerships and other collaborations in efforts to continue to deliver sustainable growth for the Company.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Final Ordinary Dividend
Dividend Type	Cash
Dividend Amount per Shares (in Cents)	0.50 cents per share (1-Tier tax exempt)
Tax Rate	Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Final Ordinary Dividend
Dividend Type	Cash
Dividend Amount per Shares (in Cents)	0.375 cents per share (1-Tier tax exempt)
Tax Rate	Nil

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect and the reasons for the decision.

Not applicable.

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)

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

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable. Please refer to paragraph 8 above.

15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

None.

Heeton Holdings Limited and its Subsidiaries

Other information Required by Listing Rule Appendix 7.2

16. A breakdown of sales

		FY2024	FY2023	Increase / (decrease)
		\$'000	\$'000	%
a)	Sales reported for first half year	37,107	30,699	20.87
b)	Operating loss after tax and before deducting non-controlling interest for first half year	(5,521)	(5,641)	(2.1)
c)	Sales reported for second half year	41,053	37,158	10.5
d)	Operating profit/(loss) after tax and before deducting non-controlling interest for second half year	6,246	(936)	n.m.

n.m.: not meaningful

17. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has obtained undertakings from all its directors and executive officers.

18. Confirmation pursuant to Rule 705(5)

We, Toh Giap Eng and Hoh Chin Yiep, being two of the Directors of Heeton Holdings Limited (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Company and of the Group for the year ended 31 December 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Toh Giap Eng
Executive Chairman
20 February 2025

Hoh Chin Yiep
Executive Director and CEO