Low Keng Huat (Singapore) Limited

(Company Registration No. 196900209G)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTHS ENDED 31 JULY 2023

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LOW KENG HUAT (SINGAPORE) LIMITED (Reg. No. 196900209G)

Condensed Interim Financial Statements for The Six-months Ended 31 July 2023

Consolidated statement of profit or loss

	Note	Six-months ended 31/07/2023	Six-months ended 31/07/2022 (Restated)	Increase / (Decrease)
		$'000	$'000	%
Revenue	1	192,790	49,771	287
Cost of sales	2	(162,312)	(39,888)	307
Gross profit	3	30,478	9,883	208
Other income				
- Interest income	4	735	408	80
- Miscellaneous income	5	1,565	1,872	(16)
Expenses				
-Distribution costs	6	(8,935)	(1,681)	432
-Administrative costs	7	(6,785)	(6,598)	3
-Finance costs	8	(14,156)	(5,732)	147
-Other operating expenses		(990)	(1,090)	(9)
Share of results of associated companies and joint ventures	9	2,308	(599)	n.m.
		4,220	(3,537)	n.m.
Fair value (loss)/gain on financial assets at FVPL	10	(1,717)	214	n.m.
Other losses, net	11	(2,586)	(19,339)	(87)
Loss before taxation		(83)	(22,662)	(100)
Taxation	12	(1,345)	(1,233)	9
Loss after taxation for the period		(1,428)	(23,895)	(94)
Attributable to:				
Owners of the parent	13	(1,463)	(24,119)	(94)
Non-controlling interests		35	224	(84)
		(1,428)	(23,895)	(94)
Loss per share (cents)				
- basic		(0.20)	(3.26)	(94)
- diluted		(0.20)	(3.26)	(94)
n.m.: Not Meaningful				

Consolidated statement of comprehensive income

	Six-months ended 31/07/2023 $'000	Six-months ended 31/07/2022 $'000	Increase / (Decrease) %
Loss after taxation for the period	(1,428)	(23,895)	(94)
Other comprehensive (loss)/income after tax			
Items that will not be reclassified to profit and loss:			
Fair value gain on financial assets at FVOCI (net of tax at Nil%)	37	268	(86)
Exchange differences on translation of the financial statements of foreign entities (net)	(145)	9	n.m.
Items that are or may be reclassified subsequently to profit and loss:			
Exchange differences on translation of the financial statements of foreign entities (net)	(1,368)	(35)	n.m.
Total other comprehensive (loss)/income for the period, net of tax	(1,476)	242	n.m.
Total comprehensive loss for the period	(2,904)	(23,653)	(88)
Total comprehensive loss attributable to:			
Owners of the parent	(2,794)	(23,895)	(88)
Non-controlling interests	(110)	242	n.m.
Total comprehensive loss for the period	(2,904)	(23,653)	(88)

n.m.: Not Meaningful

1(a)(ii) Notes to the income statement

1. Consolidated revenue increased to $192.8M for the six-month period ended 31 July 2023 ("1HFY2024") from $49.8M for the six-month period ended 31 July 2022 ("1HFY2023"), mainly due to higher contribution from the Development segment as sales at Klimt Cairnhill improved.

   Revenue from the Development segment increased to $156.6M in 1HFY2024 from $19.5M in 1HFY2023. During 1HFY2024, 58 units at Klimt Cairnhill were sold. For the same period last year, Development revenue was mainly from the sale of the remaining 4 units at Uptown @ Farrer (out of 116 units) and 4 units at Klimt Cairnhill. As at 31 July 2023, a total of 66 units at Klimt Cairnhill were sold (out of 138 units), as compared to 8 units as at 31 January 2023.

   Revenue from the Hotel segment increased to $22.5M in 1HFY2024 from $16.5M in 1HFY2023, driven mainly by improved average room income at Lyf @ Farrer, Citadines Balestier and Duxton Hotel Perth. Occupancy rates remained stable at Lyf @ Farrer and Citadines Balestier, whilst rates improved at Duxton Hotel Perth.

   Revenue from the Investment segment decreased to $13.6M in 1HFY2024 from $13.8M in 1HFY2023. The decrease was mainly due to lower construction revenue generated from the Dalvey Haus project, which obtained Temporary Occupation Permit ("TOP") in July 2023. The lower revenue was partially offset by the higher revenue generated at Paya Lebar Square from improved occupancy and gross rent (per square foot).

2. Cost of sales increased to $162.3M in 1HFY2024 from $39.9M in 1HFY2023. The increase in cost of sales was mainly attributed to the increase in the number of units sold at Klimt Cairnhill. The higher cost of sales was partially offset by a decrease in depreciation of property, plant and equipment to $3.7M in 1HFY2024 from $4.2M in 1HFY2023 and a decrease in depreciation of investment properties to $1.8M from $2.0M over the same period.

3. Gross profit increased to $30.5M in 1HFY2024 from $9.9M in 1HFY2023, mainly due to the increased sales at Klimt Cairnhill, higher contributions from the Group's hospitality assets, as well as improved profitability at Paya Lebar Square.

   Gross profit margins decreased to 16% in 1HFY2024 from 20% in 1HFY2023 due to the higher percentage of gross profit contribution from the Development segment, which generated lower margins as compared to the Hotel and Investment segments.

4. Interest income increased to $0.7M in 1HFY2024 from $0.4M in 1HFY2023. The increase was due to the higher fixed deposit base and rates in 1HFY2024. In 1HFY2023, interest income included imputed interest from the shareholder's loan to PRE 13 Pte. Ltd. ("PRE13"), which was fully repaid in April 2022.

5. Other miscellaneous income decreased to $1.6M in 1HFY2024 from $1.9M in 1HFY2023. Other miscellaneous income mainly pertained to management fee income, dividend income and deposits from customers forfeited. The higher other miscellaneous income in 1HFY2023 was mainly due to a write-back of impairment loss on receivables and long outstanding payables written off.

6. Distribution costs increased to $8.9M in 1HFY2024 from $1.7M in 1HFY2023, driven mainly by the increase in sales agents' commission for the sales at Klimt Cairnhill.

7. Administrative costs increased to $6.8M in 1HFY2024 from $6.6M in 1HFY2023. In 1HFY2024, the increase in management fees for Citadines Balestier and Lyf @ Farrer, from the higher revenue and operating profits, were partially offset by a decrease in legal and professional fees. In 1HFY2023, legal and professional fees were higher due to fees incurred in relation to the disposal of stake in PRE13.

8. Finance costs increased to $14.2M in 1HFY2024 from $5.7M in 1HFY2023, mainly due to higher loan interest rates. Effective interest rate for the Group was 4.81% in 1HFY2024 as compared to 1.76% in 1HFY2023.

9. Share of results of associated companies and joint ventures was a profit of $2.3M in 1HFY2024 as compared to a loss of $0.6M in 1HFY2023. This was due to the improved performance from the Group's 40% associate, Dalvey Breeze Development Pte. Ltd. ("Dalvey Breeze") in 1HFY2024, as sales at Dalvey Haus improved. 5 units were sold in 1HFY2024, bringing total sales for the project to 9 units as at 31 July 2023, as compared to 4 units sold as at 31 July 2022.

10. Fair value loss on financial assets at FVPL was $1.7M in 1HFY2024 as compared to a gain of $0.2M in 1HFY2023. The fair value loss in 1HFY2024 was mainly driven by provisions made for facade rectification works at an investment property at 330 Collins Street, Melbourne, a property 50% owned by HThree City Australian Commercial Fund 3 LP.

11. Other losses decreased to $2.6M in 1HFY2024 from $19.3M in 1HFY2023. In 1HFY2024, other losses pertained to impairment losses on associated companies and joint ventures of $1.3M and net foreign exchange losses of $1.2M. In 1HFY2023, other losses were mainly due to a $23.3M net loss recognised for the disposal of investments in associates, namely PRE13 and Perennial Shenton Investors Pte. Ltd. ("PSI"). In conjunction with the sale of its equity interest in PRE13, there was also a gain on early repayment of shareholder's loan amounting to $4.8M. Forex loss was $0.8M in 1HFY2023.

12. Tax expenses increased to $1.3M in 1HFY2024 from $1.2M in 1HFY2023. In 1HFY2023, the higher taxable profits were slightly offset by deferred tax assets recognised for Duxton Hotel Perth, thereby lowering the total tax expenses. In 1HFY2024, taxable profits were lower mainly due to higher finance costs.

13. Net loss attributable to shareholders was $1.5M in 1HFY2024, as compared to a net loss of $24.1M in 1HFY2023. The net loss in 1HFY2023 was mainly driven by the $23.3M loss on disposal of investment in associates, partially offset by $4.8M gain on the early repayment of shareholder's loan owing by PRE13. If these one-off losses were excluded, net loss attributable to shareholders in 1HFY2023 would have been $5.6M. The reduced net loss in 1HFY2024 was mainly due to the improved property sales and operating performance from the Group's hospitality assets. However, higher interest expenses continue to impact the Group's bottom line.

Consolidated statement of financial position

	Note	Group 31/07/2023 $'000	Group 31/01/2023 $'000	Company 31/07/2023 $'000	Company 31/01/2023 $'000
ASSETS					
Non-current assets					
Investment properties	1	291,789	292,714	-	-
Property, plant and equipment	1	295,031	298,289	4,262	4,212
Subsidiaries		-	-	616,590	700,339
Joint ventures	2	9,608	10,256	9,302	10,450
Associated companies	2	29,894	27,082	-	-
Financial assets at FVOCI	3	5,251	5,214	-	-
Financial asset at FVPL	3	33,314	36,320	-	-
Trade and other receivables	4	751	1,262	5,334	4,943
Deferred tax assets		850	882	-	-
		666,488	672,019	635,488	719,944
Current assets					
Development properties	5	418,654	543,840	-	-
Inventories		375	339	-	-
Contract assets	6	38,752	8,376	4,125	4,964
Contract costs	6	12,473	1,652	-	-
Amount owing by subsidiaries		-	-	2,517	2,708
Trade and other receivables	4	16,863	32,109	2,958	4,610
Fixed deposits	7	12,083	7,493	-	-
Cash and cash equivalents	7	86,163	42,894	41,307	3,662
		585,363	636,703	50,907	15,944
Total assets		1,251,851	1,308,722	686,395	735,888
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		161,863	161,863	161,863	161,863
Capital reserves		(30,214)	(30,214)	-	-
Fair value reserves		1,551	1,514	-	-
Retained profits		484,434	493,285	493,193	525,476
Exchange fluctuation account		(5,402)	(4,034)	-	-
		612,232	622,414	655,056	687,339
Non-controlling interests		10,832	10,942	-	-
Total equity		623,064	633,356	655,056	687,339
LIABILITIES					
Non-current liabilities					
Borrowings	8	572,426	250,724	1,721	2,354
Provisions		30	29	-	-
Deferred tax liabilities		3,007	3,022	-	-
		575,463	253,775	1,721	2,354
Current liabilities					
Borrowings	8	4,205	373,595	1,260	18,247
Amount owing to subsidiaries		-	-	9,926	10,012
Amount owing to non-controlling interests		1,204	1,256	-	-
Provision for directors' fee		108	215	108	215
Provision for taxation		5,371	5,274	95	95
Trade and other payables	9	42,436	41,251	18,229	17,626
		53,324	421,591	29,618	46,195
Total liabilities		628,787	675,366	31,339	48,549
Total equity and liabilities		1,251,851	1,308,722	686,395	735,888

1(b)(ii) Notes to the consolidated statement of financial position

1. The net book value of investment properties decreased by $0.9M to $291.8M as at 31 July 2023 from $292.7M as at 31 January 2023. Depreciation expense of $1.8M was partially offset by a reclassification of 2 office units at Parkway Parade from property, plant and equipment to investment properties, as these units were rented out to third parties. These office units had a net book value of $0.9M as at 31 January 2023.

   The net book value of property, plant and equipment decreased by $3.3M to $295.0M as at 31 July 2023 from $298.3M as at 31 January 2023, mainly due to depreciation expense amounting to $3.7M, forex difference and the reclassification detailed above. The decrease was partially offset by additions, amounting to $2.3M, mainly from ongoing refurbishment works at Duxton Hotel Perth.

2. Joint ventures decreased by $0.7M to $9.6M as at 31 July 2023 from $10.3M as at 31 January 2023, mainly due to impairment loss on the Group's overseas investment.

   Associated companies increased by $2.8M to $29.9M as at 31 July 2023 from $27.1M as at 31 January 2023, mainly due to the share of profit from Dalvey Breeze, amounting to $2.5M and shareholder loans of $1.3M extended to the associated companies during 1HFY2024, partially offset by impairment loss on the Group's overseas investment.

3. Financial assets at FVOCI increased by $37,000 in 1HFY2024 due to fair value changes of the Group's investment in quoted equity investments.

   Financial assets at FVPL decreased by $3.0M to $33.3M as at 31 July 2023 from $36.3M as at 31 January 2023, due to a $1.7M fair value loss and a $1.3M exchange loss in 1HFY2024. The fair value loss of $1.7M was mainly driven by provisions made for façade rectification works at 330 Collins Street, Melbourne, whilst exchange loss was driven by the depreciation of AUD against SGD during 1HFY2024.

4. Trade and other receivables decreased by $15.8M to $17.6M as at 31 July 2023 from $33.4M as at 31 January 2023. The decrease was mainly due to progress billings for the final 15% at Uptown @ Farrer, which attained Certificate of Statutory Completion ("CSC") in January 2023, received during the period. The decrease was slightly offset by an increase in receivables at Klimt Cairnhill from the increase in sales.

5. Development properties decreased by $125.1M to $418.7M as at 31 July 2023 from $543.8M as at 31 January 2023. The decrease was mainly due to the sale of 58 units at Klimt Cairnhill in 1HFY2024, partially offset by the progress of construction completion to 39% as at 31 July 2023 from 31% as at 31 January 2023. As at 31 July 2023, 66 total units at Klimt Cairnhill were sold (out of 138 units), as compared to 8 units as at 31 January 2023.

6. Contract assets increased by $30.4M to $38.8M as at 31 July 2023 from $8.4M as at 31 January 2023 mainly due to an increase in unbilled revenue for Klimt Cairnhill as construction progressed and from the sale of 58 units in 1HFY2024.

   Contract costs, representing commission fees to agents, increased by $10.8M to $12.5M as at 31 July 2023 from $1.7M as at 31 January 2023. The increase was in line with the sale of units at Klimt Cairnhill.

7. Cash and cash equivalents and fixed deposits increased by $47.8M to $98.2M as at 31 July 2023 from $50.4M as at 31 January 2023. The increase was mainly due to proceeds received from the mortgage of Lyf @ Farrer and sales at Klimt Cairnhill. These proceeds were mainly utilised for the repayment of bank borrowings and interest, dividends and placement of short-term fixed deposits.

8. Borrowings decreased by $47.7M to $576.6M as at 31 July 2023 from $624.3M as at 31 January 2023 mainly due to a net repayment of term loans. Loan proceeds from the mortgage of Lyf @ Farrer were used to pare down short-term borrowings. In addition, proceeds from the sales of units at Klimt Cairnhill were used to prepay project loans. As a result, net gearing ratio improved to 0.78 as at 31 July 2023 from 0.92 as at 31 January 2023.

9. Trade and other payables increased by $1.1M to $42.4M as at 31 July 2023 from $41.3M as at 31 January 2023. Overall increase was mainly due to increase in deposits received from prospective buyers at Klimt Cairnhill, higher accruals for management fee payable at Lyf @ Farrer and Citadines Balestier and higher retention payable for project costs at Dalvey Haus and Klimt Cairnhill. The increase was partially offset by release of retention payable for Uptown/Lyf @ Farrer project.

Consolidated statement of changes in equity

The Company	Share capital $'000	Reserves $'000	Retained profits $'000	Total $'000
Balance at 1 February 2023	161,863	-	525,476	687,339
Total comprehensive loss for the period	-	-	(24,895)	(24,895)
Transaction with owners: -				
Dividends paid in respect of financial year ended 31 January 2023	-	-	(7,388)	(7,388)
Balance at 31 July 2023	161,863	-	493,193	655,056
Balance at 1 February 2022	161,863	516	509,313	671,692
Total comprehensive loss for the period	-	30	(4,428)	(4,398)
Transfer upon disposal of financial assets at FVOCI	-	(546)	546	-
Transaction with owners: -				
Dividends paid in respect of financial year ended 31 January 2022	-	-	(14,776)	(14,776)
Balance at 31 July 2022	161,863	-	490,655	652,518

The Group	Share capital $'000	Reserves $'000	Retained profits $'000	Exchange fluctuation account $'000	Sub-total $'000	Non-controlling interests $'000	Total $'000
Balance at 1 February 2023	161,863	(28,700)	493,285	(4,034)	622,414	10,942	633,356
Total comprehensive loss for the period	-	37	(1,463)	(1,368)	(2,794)	(110)	(2,904)
Transaction with owners: -							
Dividends paid in respect of financial year ended 31 January 2023	-	-	(7,388)	-	(7,388)	-	(7,388)
Balance at 31 July 2023	161,863	(28,663)	484,434	(5,402)	612,232	10,832	623,064
Balance at 1 February 2022	161,863	(28,354)	540,127	(2,563)	671,073	12,536	683,609
Total comprehensive loss for the period	-	277	(24,119)	(53)	(23,895)	242	(23,653)
Transfer upon disposal of financial assets at FVOCI	-	(265)	265	-	-	-	-
Transaction with owners: -							
Dividends paid in respect of financial year ended 31 January 2022	-	-	(14,776)	-	(14,776)	-	(14,776)
Transaction with non-controlling interests	-	-	-	-	-	(1,880)	(1,880)
Balance at 31 July 2022	161,863	(28,342)	501,497	(2,616)	632,402	10,898	643,300

Consolidated statement of cash flows

	Six-months ended	
	31/07/2023	31/07/2022
	$'000	$'000
Cash Flows from Operating Activities		
Loss before taxation	(83)	(22,662)
Adjustments for:		
Share of results of associated companies and joint ventures	(2,308)	599
Depreciation of investment properties	1,836	2,014
Depreciation of property, plant and equipment	3,652	4,183
(Gain)/loss on disposal of property, plant and equipment	(27)	155
Loss on disposal of associates	-	23,303
Gain on early repayment of shareholder loan owing by associate company	-	(4,783)
Impairment loss on property, plant and equipment	-	19
Impairment loss on associated companies and joint ventures	1,338	-
Write-back of impairment loss on receivables	-	(368)
Impairment loss on receivables	29	-
Amortisation of contract costs	7,258	221
Fair value loss/(gain) on financial assets at FVPL	1,717	(214)
Dividend income from quoted equity investments	(134)	(112)
Long outstanding payables written off	-	(253)
Unrealised foreign exchange losses	1,248	-
Finance costs	14,156	5,732
Interest income	(735)	(408)
Operating profit before working capital changes	27,947	7,426
(Increase)/decrease in inventories	(36)	14
Decrease in development properties	125,186	11,382
Increase in contract assets & contract costs	(48,455)	(5,325)
Decrease/(increase) in operating receivables	15,236	(232)
Increase/(decrease) in operating payables	2,019	(4,325)
Decrease in contract liabilities	-	(1,554)
Cash generated from operations	121,897	7,386
Income tax paid	(1,219)	(1,464)
Net cash generated from operating activities	120,678	5,922
Balance carried forward	120,678	5,922

Consolidated statement of cash flows (Cont'd)

		Six-months ended	
		31/07/2023	**31/07/2022**
		$'000	$'000
Balance brought forward		120,678	5,922
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		(2,258)	(593)
Interest received		541	90
Dividend received from quoted equity investments		134	112
Advances and loans made to associated companies and joint ventures		(1,442)	(484)
Proceeds from disposal of financial asset @FVOCI		-	8,153
Investment in financial asset at FVPL		(59)	(22,246)
Proceeds from disposal of joint ventures and associate companies	Note A	-	1,389
Repayment of loans owing from joint ventures and associate companies	Note A	-	43,761
Proceeds from disposal of property, plant and equipment		36	-
Net cash (used in)/generated from investing activities		(3,048)	30,182
Cash Flows from Financing Activities			
Dividends paid to shareholders of the Company		(7,388)	(14,776)
Final distributions paid to non-controlling interests, net of set-off		-	(50)
Bank borrowings:			
- Proceeds		80,000	10,000
- Principal paid		(127,444)	(97,205)
- Interest paid		(14,298)	(5,329)
Fixed deposits pledged		(4,590)	-
Lease liabilities:			
- Principal paid		(208)	(148)
- Interest paid		(21)	(27)
Net cash used in financing activities		(73,949)	(107,535)
Net increase/(decrease) in cash and cash equivalents		43,681	(71,431)
Cash and cash equivalents at beginning of period		42,894	119,929
Exchange differences on translation of cash and cash equivalents at beginning of period		(412)	(234)
Cash and cash equivalents at end of period		86,163	48,264

Consolidated statement of cash flows (Cont'd)

Note A - For six-months ended 31 July 2022

The Group disposed its entire equity interests in PRE13 and PSI in April 2022 and May 2022, respectively. These transactions resulted in a loss on disposal as set out below:

	PRE13 $'000	PSI $'000	Total $000
Cash consideration for disposal of investment in associates	994 [1]	395	1,389
Less: Carrying amount of investment at date of disposal	(24,290) [2]	(402)	(24,692)
Loss on disposal of investment	(23,296)	(7)	(23,303)

[1] Consideration for PRE13 is presented net of post-completion adjustments.
[2] Carrying amount of PRE13 includes discount implicit in shareholder loans to associate, amounting to $23,083,000. Huatland's 20% share of PRE13's net assets as at date of disposal, adjusted by Group for equity accounting purposes, is $1,207,000.

Shareholder loan owing by associated company
The disposal also resulted in an early repayment of the shareholder loan due from PRE13. This transaction resulted in a gain on early repayment of shareholder loan as set out below:

	Total $000
Cash consideration for early repayment of shareholder loan	43,761
Less: Carrying amount of shareholder loan at date of repayment	
Principal amount of shareholder loan	(59,761)
Discount implicit in shareholder loan to associate[3]	23,083
Notional interest on shareholder loan	(2,300)
Carrying amount of shareholder loan at date of repayment	(38,978)
Gain on early repayment of shareholder loan	4,783

[3] A discount rate of 5% per annum has been applied to calculate the financial asset to its fair value at initial recognition and notional interest, up till the original repayment date, 31 December 2030. The amount is non-trade, unsecured, interest-free and denominated in Singapore dollar.

1(d)(ii) Explanatory Notes to Consolidated Statement of Cash Flows

The Group generated net cash from operating activities of $120.7M in 1HFY2024, mainly contributed by sales at Klimt Cairnhill, as well as recurring cashflows from its retail and hospitality portfolios.

The cash generated was partially offset by outflows in investing activities of $3.0M in 1HFY2024, mainly due to refurbishment works ongoing at Duxton Hotel Perth. Net cash used in financing activities for 1HFY2024 was $73.9M, mainly due net repayment of bank borrowings and interest payments.

The Group has unused bank facilities of $207.3M as at 31 July 2023.

Notes to the condensed interim financial statements

1 Corporate information

Low Keng Huat (Singapore) Limited ("Company") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim financial statements for six-months ended 31 July 2023 comprise the Company and its subsidiaries (collectively, the Group). The principal activities of the Group are property development, ownership and operation of serviced apartments and a hotel and investment holding.

2 Basis of preparation

The condensed interim financial statements for the six-months ended 31 July 2023 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("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 the understanding of the changes in the Group's financial position and performance of the Group since the last annual audited financial statements for the year ended 31 January 2023.

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.

These financial statements are presented in Singapore dollar, which is the Company's functional currency. All financial information has been presented in Singapore dollar and rounded to the nearest thousand ($'000), unless otherwise stated.

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 did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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 audited financial statements as at and for the year ended 31 January 2023.

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.

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

The Group is organised into the following main business segments:

(i) Property development
Activities in this segment comprise the development of properties.

(ii) Hotel
Activities in this segment comprise ownership and operation of serviced apartments, a hotel and a restaurant.

(iii) Investment
Activities in this segment relate mainly to investments in properties and shares in quoted and unquoted equities, as well as construction activities.

These operating segments are reported in a manner consistent with internal reports provided to the Executive Chairman and the Managing Director, who are responsible for the allocation of resources and the assessment of performance for each operating segment.

4.1(a) Business Segments

	Six-months ended 31 July 2023			
The Group	**Property development $'000**	**Hotel $'000**	**Investment $'000**	**Consolidated $'000**
Revenue				
Total segment revenue	156,628	23,631	23,287	203,546
Inter-segment revenue	-	(1,112)	(9,644)	(10,756)
External sales	156,628	22,519	13,643	192,790
Results				
Segment results	10,320	3,155	1,858	15,333
Interest income	79	-	656	735
Finance costs	(6,828)	(3,084)	(4,244)	(14,156)
Share of results of joint ventures and associate companies	2,308	-	-	2,308
Profit/(loss) from operations	5,879	71	(1,730)	4,220
Fair value loss on financial assets at FVPL	-	-	(1,717)	(1,717)
Other losses, net	-	-	(2,586)	(2,586)
Profit/(loss) before taxation	5,879	71	(6,033)	(83)
Taxation				(1,345)
Profit attributable to non-controlling interests				(35)
Net loss attributable to owners of the parent				(1,463)

The Group	**Property development $'000**	**Hotel $'000**	**Investment $'000**	**Consolidated $'000**
Segment assets as at 31 July 2023	567,856	303,338	380,657	1,251,851
Segment liabilities as at 31 July 2023	259,640	159,742	209,405	628,787

4. Segment and revenue information (Cont'd)

4.1(a) Business Segments (Cont'd)

	Six-months ended 31 July 2022			
The Group	Property development $'000	Hotel $'000	Investment $'000	Consolidated $'000
Revenue				
Total segment revenue	19,504	17,238	20,792	57,534
Inter-segment revenue	-	(736)	(7,027)	(7,763)
External sales	19,504	16,502	13,765	49,771
Results				
Segment results	2,456	(253)	183	2,386
Interest income	10	1	397	408
Finance costs	(2,470)	(1,346)	(1,916)	(5,732)
Share of results of joint ventures and associate companies	(368)	-	(231)	(599)
Loss from operations	(372)	(1,598)	(1,567)	(3,537)
Fair value loss on financial assets at FVPL	-	-	214	214
Other losses, net	-	-	(19,339)	(19,339)
Loss before taxation	(372)	(1,598)	(20,692)	(22,662)
Taxation				(1,233)
Profit attributable to non-controlling interests				(224)
Net loss attributable to owners of the parent				(24,119)

The Group	Property development $'000	Hotel $'000	Investment $'000	Consolidated $'000
Segment assets as at 31 January 2023	611,969	303,626	393,127	1,308,722
Segment liabilities as at 31 January 2023	339,558	113,149	222,659	675,366

4.1(b) Geographical Segments

	Revenue		Non-current assets	
The Group	**31 July 2023 $'000**	31 July 2022 $'000	**31 July 2023 $'000**	31 January 2023 $'000
Singapore	**183,421**	42,041	**551,538**	531,051
Australia	**9,369**	7,730	**29,092**	28,725
Malaysia	**-**	-	**45,692**	68,565
Net asset value per ordinary share	**192,790**	49,771	**626,322**	628,341

Revenue is based on the location of customers regardless of where the services are rendered. Non-current assets are based on the location of those assets.

Non-current assets information presented above consists only of right-of-use assets, investments in joint ventures and associate companies, investment properties and property, plant and equipment.

4. Segment and revenue information (Cont'd)

4.2 Disaggregation of Revenue

Revenue of the Group comprises of (a) the sale of development properties; (b) the ownership and operation of serviced apartments, a hotel and a restaurant; (c) the revenue from construction contracts; and (d) rental income generated from retail properties.

The revenue excludes inter-company transactions and applicable goods and services taxes or value-added taxes. The Group derives revenue from contracts with customers based on transfer of goods and services over time and at a point in time as follows:

	Six-months ended 31 July 2023			Six-months ended 31 July 2022		
	At a point in time	**Over time**	**Total**	At a point in time	Over time	Total
The Group	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000
Revenue from contracts with customers:						
Sales of development properties	**-**	**156,628**	**156,628**	-	19,504	19,504
Hotel operations	**4,788**	**17,731**	**22,519**	4,071	12,431	16,502
Construction of buildings	**-**	**4,411**	**4,411**	-	5,282	5,282
	4,788	**178,770**	**183,558**	4,071	37,217	41,288
Rental income			**9,232**			8,483
Total revenue of the Group			**192,790**			49,771

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 July 2023 and 31 January 2023:

	The Group		The Company	
	31 July 2023	31 January 2023	**31 July 2023**	31-Jan 2023
	$'000	$'000	**$'000**	$'000
Financial Assets				
Financial assets at fair value through other comprehensive income (FVOCI)	**5,251**	5,214	**-**	-
Financial assets at fair value through profit or loss (FVPL)	**33,314**	36,320	**-**	-
Cash and cash equilvalents	**86,163**	42,894	**41,307**	3,662
Fixed deposits	**12,083**	7,493	**-**	-
Amount owing by subsidiaries	**-**	-	**2,517**	2,708
Trade and other receivables (i)	**12,038**	31,975	**7,401**	8,715
Financial assets at amortised cost	**110,284**	82,362	**51,225**	15,085
Financial Liabilities				
Amount owing to subsidiaries	**-**	-	**9,926**	10,012
Amount owing to non-controlling shareholders of subsidiaries	**1,204**	1,256	**-**	-
Provision for directors' fee	**108**	215	**108**	215
Borrowings	**576,631**	624,319	**2,981**	20,601
Trade and other payables (ii)	**41,015**	30,378	**18,192**	17,626
Financial liabilities at amortised cost	**618,958**	656,168	**31,207**	48,454

(i) This excludes GST receivable, prepayment and accrued rental income.

(ii) This excludes GST payable, advanced payments received from customers and deferred income.

6. Loss before taxation

6.1 Significant items

The Group	**Six-months ended 31 July 2023 $'000**	Six-months ended 31 July 2022 $'000
Income		
Management fee	**819**	641
Dividend income	**134**	112
Interest income	**735**	408
Gain on early redemption of shareholder loan	**-**	4,783
Expenses		
Loss on disposal of associates	**-**	(23,303)
Interest on borrowings and lease liabilities	**(14,156)**	(5,732)
Depreciation of investment properties	**(1,836)**	(2,014)
Depreciation of property, plant and equipment	**(3,652)**	(4,183)
Amortisation of contract costs	**(7,258)**	(221)

6.2 Related party transactions

In addition to the information disclosed elsewhere in the condensed interim financial statements, the following are significant transactions that took place between the Group and related parties at mutually agreed amounts:

The Group	**Six-months ended 31 July 2023 $'000**	Six-months ended 31 July 2022 $'000
Security services charged by other related party[1]	**107**	106
Shareholders' loans to a joint venture	**109**	46
Service rendered to an associate company	**4,412**	5,975
Shareholders' loans to associate companies	**1,333**	438
Management fee charged to joint ventures	**819**	641

[1] Other related party refers to a company which is controlled by a close family member of one of the Group's key management personnel.

7. 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 comprise the following:

The Group	**Six-months ended 31 July 2023 $'000**	Six-months ended 31 July 2022 $'000
Current income tax expense	**698**	1,951
Deferred taxation	**(15)**	(729)
Under provision of current taxation in respect of prior years	**662**	11
	1,345	1,233

8. Dividends

The Company	**Six-months ended 31 July 2023 $'000**	Six-months ended 31 July 2022 $'000
Dividends paid		
- Ordinary dividends:		
First and final dividend of 1.0 (2022 – 2.0) cents per share, tax exempt paid in respect of the previous financial year	**7,388**	14,776

There were no dividends proposed for the six-months ended 31 July 2023 and 31 July 2022.

9. Net asset value and net tangible assets per ordinary share

	The Group		The Company	
	31 July 2023 $'000	31 January 2023 $'000	**31 July 2023 $'000**	31 January 2023 $'000
Net asset value per ordinary share	**83 cents**	84 cents	**89 cents**	93 cents
Net tangible assets per ordinary share	**83 cents**	84 cents	**89 cents**	93 cents

10. Financial assets at fair value

Financial assets at fair value comprise the following:

	The Group	
	31 July 2023 $'000	31 January 2023 $'000
Financial assets at FVOCI		
- Quoted equity investments	**5,251**	5,214
Financial assets at FVPL		
- Unquoted equity investments	**33,314**	36,320
Total financial assets at fair value	**38,565**	41,534

10.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy that is dependent on the valuation inputs used. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

10. Financial assets at fair value (Cont'd)

10.1 Fair value measurement (Cont'd)

The following table shows the Levels within the hierarchy of financial assets at fair value on a recurring basis at 31 July 2023 and 31 January 2023:

	Level 1 $'000	Level 2 $'000	Level 3 $'000
The Group			
31 July 2023			
Financial assets at FVOCI – Quoted equity investments	**5,251**	**-**	**-**
Financial assets at FVPL – Unquoted equity investments	**-**	-	**33,314**
31 January 2023			
Financial assets at FVOCI – Quoted equity investments	5,214	-	-
Financial assets at FVPL – Unquoted equity investments	-	-	36,320

11. Property, plant and equipment

	The Group		The Company	
	31 July 2023 $'000	31 January 2023 $'000	**31 July 2023 $'000**	31 January 2023 $'000
Cost				
Balance at beginning of period/year	**357,741**	363,057	**8,414**	8,652
Additions	**2,258**	2,209	**275**	17
Written off/disposal	**(274)**	(2,634)	**(274)**	(255)
Transfer to investment properties	**(1,580)**	(2,936)	**-**	-
Exchange translation difference	**(2,372)**	(1,955)	**-**	-
Balance at end of period/year	**355,773**	357,741	**8,415**	8,414
Accumulated depreciation				
Balance at beginning of period/year	**57,908**	51,055	**4,202**	3,864
Depreciation for the period/year	**3,652**	8,129	**216**	438
Written off/disposal	**(265)**	(118)	**(265)**	(100)
Transfer to investment properties	**(669)**	(13)	**-**	-
Exchange translation difference	**(1,428)**	(1,145)	**-**	-
Balance at end of period/year	**59,198**	57,908	**4,153**	4,202
Accumulated impairment				
Balance at beginning of period/year	**1,544**	3,928	**-**	-
Additions	**-**	34	**-**	-
Impairment no longer required	**-**	(2,418)	**-**	-
Balance at end of period/year	**1,544**	1,544	**-**	-
Net book value	**295,031**	298,289	**4,262**	4,212

During the six-months ended 31 July 2023, the Group acquired assets amounting to $2,258,000 (31 July 2022 - $593,000) and disposed or write off assets amounting to $9,000 (31 July 2022 - $2,516,000).

12. Investment properties

The Group's investment properties consist of commercial properties 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	
	31 July 2023	31 January 2023
	$'000	$'000
Cost		
Balance at beginning of period/year	**321,767**	318,885
Written off/disposal	**-**	(54)
Transferred from property, plant and equipment	**1,580**	2,936
Balance at end of period/year	**323,347**	321,767
Accumulated depreciation		
Balance at beginning of period/year	**27,151**	23,267
Depreciation for the period/year	**1,836**	3,874
Written off/disposal	**-**	(3)
Transferred from property, plant and equipment	**669**	13
Balance at end of period/year	**29,656**	27,151
Accumulated impairment		
Balance at beginning and end of period/year	**1,902**	1,902
Net book value	**291,789**	292,714

13. Valuation

The Group engages external, independent and qualified valuers to determine the fair value of the Group's significant property plant and equipment and investment properties at the end of every financial year, based on the properties' highest-and-best use. As at 31 January 2023, the fair values of certain properties have been determined by Savills Valuation & Professional Services (S) Pte Ltd. For other properties, management estimates the properties' fair value based on the properties' highest-and-best use, by assessing the current market trend, with reference to indicative market prices for similar properties in the area.

As at 31 July 2023, management conducted an internal assessment of the valuation by considering any significant changes in operating performance of the properties and assessing movements in market data, such as discount and capitalisation rates. Based on the assessment, management is of the view that the fair values of the freehold properties and leasehold land and buildings had not materially changed from the valuation obtained as at 31 January 2023.

13. Valuation (Cont'd)

The Group	As at 31 July 2023 Carrying amount $'000	Fair value $'000	Fair value hierarchy	As at 31 January 2023 Carrying amount $'000	Fair value $'000	Fair value hierarchy
Investment properties:						
Retail units	**245,278**	**373,200**	**Level 3**	246,688	373,200	Level 3
Commercial units	**45,609**	**49,870**	**Level 3**	46,026	49,870	Level 3
Office units	**902**	**5,124**	**Level 3**	-	-	-
Property, plant and equipment						
Hotel	**16,936**	**81,908**	**Level 3**	17,559	85,640	Level 3
Serviced apartment	**259,084**	**404,630**	**Level 3**	261,820	404,630	Level 3
Office units	**5,019**	**20,627**	**Level 3**	5,974	23,306	Level 3
The Company						
Property, plant and equipment:						
Office units	**2,414**	**12,481**	**Level 3**	2,436	11,231	Level 3

14. Bank borrowings

The Group	**31 July 2023 $'000**	31 January 2023 $'000
Revolving credit loan – unsecured	**-**	17,000
Temporary bridging loan – unsecured	**2,965**	3,583
Revolving credit loan – secured	**-**	30,200
Term loans – secured	**572,560**	572,186
	575,525	622,969
Lease liabilities	**1,106**	1,350
	576,631	624,319
Amount repayable:		
Not later than one year	**4,205**	373,595
Later than one year and not later than five years	**572,426**	250,724
	576,631	624,319

The Company	**31 July 2023 $'000**	31 January 2023 $'000
Revolving credit loan – unsecured	**-**	17,000
Temporary bridging loan – unsecured	**2,965**	3,583
	2,965	20,583
Lease liabilities	**16**	18
	2,981	20,601
Amount repayable:		
Not later than one year	**1,260**	18,247
Later than one year and not later than five years	**1,721**	2,354
	2,981	20,601

The Group's secured revolving credit loan totalling $Nil (31 January 2023 - $30,200,000) was secured by mortgages over the investment property and property, plant and equipment located at 207 Balestier Road, Singapore, charges on all existing and new assignments of tenancy, sales agreements or contracts with the operator of the serviced apartment and fixed deposits pledged. The effective interest rate per annum for the loan (repaid in 1HFY2024) during the period was 4.60% (31 July 2022 – 1.52%).

14. Bank borrowings (Cont'd)

Term loans of the Group totalling $572,560,000 (31 January 2023 - $572,186,000) are secured by mortgages over development properties, investment properties and property, plant and equipment of certain subsidiaries and charges on all existing and new assignments of tenancy, sales agreements and construction contracts and fixed deposits of $8,190,000 (31 January 2023 - $3,600,000). The effective interest rate per annum for the term loans during the period ranged from 4.70% to 4.92% (31 July 2022 – 1.69% to 2.17%).

15. Share capital

The Group and The Company	**31 July 2023**	31 January 2023	**31 July 2023**	31 January 2023
	No. of ordinary shares		**$'000**	$'000
Issued and fully paid with no par value:				
Balance at beginning and end of period/year	**738,816,000**	738,816,000	**161,863**	161,863

The Company did not hold any treasury shares as at 31 July 2023 and 31 January 2023.

There were no outstanding executives' share options granted as at 31 July 2023 and 31 January 2023.

16. Subsequent events

There was no known subsequent event that has led to adjustments to this set of condensed interim financial statements.

17. Comparative figures

The prior financial period's comparative figures have been reclassified. The reclassification separates fair value loss or gains, other non-recurring events and non-operating items, which include impairment of investments, one-off gains or losses on disposals of significant assets and unrealized foreign exchange movements. This presentation provides more financial clarity on the Group's core operating performance.

As a result of the above, certain line items have been restated in the consolidated statement of profit or loss.

Consolidated statement of profit or loss	As previously reported, 31 July 2022 $'000	Adjustments $'000	As restated, 31 July 2022 $'000
Other income/Other income-miscellaneous income	6,869	(4,997)	1,872
Other operating expenses	(25,212)	24,122	(1,090)
Fair value (loss)/gain on financial assets at FVPL	-	214	214
Other losses, net	-	(19,339)	(19,339)

This reclassification is not considered to be material to the condensed interim consolidated financial statements as a whole, and does not affect the statement of financial position. Hence, no third statement of financial position is presented.

Other Information Required by Listing Rule Appendix 7.2
OTHER INFORMATION

1. Review

The consolidated statement of financial position of the Company and its subsidiaries as at 31 July 2023 and the related consolidated profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statement of cash flows for the six- month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Property development

Development revenue increased to $156.6M in 1HFY2024 from $19.5M in 1HFY2023. The increase in revenue was mainly due to improved sales at the Klimt Cairnhill project.

Klimt Cairnhill, launched in August 2021, is a 36 storey, high-end freehold condominium development located within the Orchard vicinity near to Newton MRT station, with a total of 138 units. As at 31 July 2023, a total of 66 units of the project was sold, with 58 units sold in 1HFY2024. Only 7 units were sold as at 31 July 2022, with 4 units sold in 1HFY2023. Klimt Cairnhill was at a project completion stage of 39% as at 31 July 2023.

For 1HFY2024, the share of profit from Dalvey Breeze was $2.5M, driven mainly by the sales at Dalvey Haus. Dalvey Haus obtained TOP in July 2023 and as at 31 July 2023, 9 units out of 17 units in the development were sold.

The segment saw a net profit before tax and non-controlling interests of $5.9M in 1HFY2024, as compared to a loss of $0.4M in 1HFY2023, driven by the improved sales performance at Klimt Cairnhill and Dalvey Haus, partially offset by the increase in finance costs from higher interest rates.

Hotel

Hotel revenue increased to $22.5M in 1HFY2024 from $16.5M in 1HFY2023. The increase was mainly due to higher average room income for Lyf @ Farrer, Citadines Balestier and Duxton Hotel Perth in 1HFY2024, as compared to 1HFY2023. Occupancies at Lyf @ Farrer and Citadines Balestier remained stable whilst Duxton Hotel Perth achieved higher occupancies during the period.

Net profit before tax and non-controlling interests for the Hotel segment was $71,000 in 1HFY2024, compared to a loss of $1.6M in 1HFY2023, driven by improvements across all assets in this segment, partially offset by higher finance costs.

Investment

Investment revenue decreased to $13.6M in 1HFY2024 from $13.8M in 1HFY2023, mainly driven by the lower construction revenue from the Dalvey Haus project, which obtained TOP in July 2023. The decrease in construction revenue was slightly offset by an increase in revenue from Paya Lebar Square due to higher average occupancy and average gross rent.

The segment generated a net loss before tax and non-controlling interests of $6.0M in 1HFY2024, as compared to loss of $20.7M in 1HFY2023. In 1HFY2024, the segment recognised a fair value loss on its financial assets at FVPL, higher finance costs, impairment loss on associated companies and joint ventures and foreign exchange losses. In 1HFY2023, an aggregate net loss in relation to the disposal of PRE13 and PSI, amounting to $18.5M, was recognised.

Net loss attributable to shareholders

Net loss attributable to shareholders was $1.5M in 1HFY2024, as compared to a net loss of $24.1M in 1HFY2023. Despite the improved topline performance in 1H2024, with the development segment being the key contributor, the steep increase in interest rates, as well as the foreign exchange loss, offset much of the profits that were generated by the Group's core business.

The net loss in 1HFY2023 was mainly driven by the $23.3M loss on disposal of investment in associates recognised, partially offset by $4.8M gain on the early repayment of shareholder's loan owing by PRE13. If these one-off losses were excluded, net loss attributable to shareholders in 1HFY2023 would have been $5.6M. The lower net loss in 1HFY2024 was mainly due to the higher profits recognised from property sales and the improved performances from the Group's hospitality assets.

Financial position and working capital of the Group

The Group's total assets decreased by $56.8M to $1,251.9M as at 31 July 2023 from $1,308.7M as at 31 January 2023. The decrease was mainly due to proceeds from the sale of units at the Klimt Cairnhill project and receipts from final progress billings at Uptown @ Farrer being utilised for the repayment of bank borrowings and interests.

The Group's total liabilities decreased by $46.6M to $628.8M as at 31 July 2023 from $675.4M as at 31 January 2023. The decrease was mainly due to a net repayment of bank loans. Net gearing ratio was 0.78 as at 31 July 2023, compared to 0.92 as at 31 January 2023.

The Group had a working capital (current assets – current liabilities) of $532.0M as at 31 July 2023.

Cash flows

Cash and cash equivalents and fixed deposits increased by $47.8M to $98.2M as at 31 July 2023 from $50.4M as at 31 January 2023. During 1HFY2024, operating cash flows, amounting to $120.7M, were generated mainly from the sale of units at Klimt Cairnhill and recurring cashflows from its retail and hospitality portfolio. In addition, the Group drew down a $80M loan by mortgaging Lyf @ Farrer. The cash inflows were used mainly for the Group's repayment of bank borrowings of $127.4M and interest of $14.3M.

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

Not applicable

4. 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 operating period and the next 12 months

In August 2023, the Ministry of Trade and Industry (MTI) announced that Singapore's economy grew by 0.5% in the second quarter of 2023, slightly higher than the 0.4% growth in the previous quarter. At the same time, MTI narrowed its GDP growth forecast to between 0.5% and 1.5% in 2023, from 0.5% and 2.5%.

The reopening of Chinese borders earlier in the year was followed by a gradual return of foreign buyers to Singapore's luxury residential property sector, which led to improved sales at Klimt Cairnhill and Dalvey Haus projects. However, new cooling measures implemented by the Singapore government on 27 April 2023, with aggressive Additional Buyer's Stamp Duty ("ABSD") hikes imposed, especially for foreign residential property buyers, dampened the outlook for the sector.

On a positive note, all large units for the Klimt Cairnhill project, i.e. penthouses and 4-bedroom units, have been sold. Also, Dalvey Haus project obtained TOP in July 2023, and will be able to sell ready to move-in units.

That said, risks associated with global economic uncertainty, further property cooling measures implemented by the government, as well as protracted high interest rates remain, and could impede the sales momentum at our projects.

The Group will continue its focus on the successful completion and sale of existing residential development projects. As of 31 August 2023, a total of 74 units were sold for Klimt Cairnhill and 11 units were sold for Dalvey Haus.

Our serviced apartments in Singapore and hotel in Perth continue to achieve healthy room rates and occupancies after the easing of cross-border travel restrictions and resumption of global travel last year. As for Paya Lebar Square, the retail mall is 100% occupied, with overall positive rental reversions expected for the current financial year.

Despite higher sales at our development projects and improved performances for the hospitality and investment segments, heightened interest rates and cost pressures will continue to dampen the impact of any bottom-line recovery. Management is focused on maintaining a healthy balance sheet and will be disciplined in capital management. In addition, the Group will be selective and strategic in new business acquisitions and investments, with the aim of delivering sustainable returns to its shareholders.

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

Not applicable.

6. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

7. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared for the six-months ended 31 July 2023 as it is not the usual practice of the Group to declare interim dividend.

8. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

9. 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) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

10. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Please refer to paragraph 2 above and Note 4.1(a) to the condensed interim financial statements.

11. Additional Information Required Pursuant to Rule 706A

During the six-months ended 31 July 2023, the Company did not incorporate or acquire any shares that resulted in any company becoming a subsidiary or associated company or increase its shareholding percentage in any subsidiary.

BY ORDER OF THE BOARD

Low Keng Boon @ Lau Boon Sen Executive Chairman	Dato' Marco Low Peng Kiat Managing Director

14 September 2023