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 ended 30 June 2026

Table of Contents

Heeton Holdings Limited and its Subsidiaries

Condensed interim consolidated statement of comprehensive income
For the six months ended 30 June 2026

		Group		
		6 months ended 30 June 2026 "HY2026"	6 months ended 30 June 2025 "HY2025"	Increase / (Decrease)
	Note	**S'000**	**S$'000**	**%**
Revenue	4	37,249	36,870	1.0
Other operating income		3,414	1,221	179.6
Personnel expenses		(12,048)	(12,307)	(2.1)
Depreciation of property, plant and equipment	6	(3,459)	(3,215)	7.6
Other operating expenses		(16,577)	(16,404)	1.1
Profit from operations		8,579	6,165	39.2
Finance expenses	6	(12,201)	(13,719)	(11.1)
Finance income	6	282	582	(51.5)
Fair value losses on derivative financial instruments	6	(31)	(60)	(48.3)
Fair value loss on investment security	6	(2,000)	-	n.m
Impairment losses on financial assets	6	(8,892)	-	n.m
Share of results of associated companies/joint venture companies		3,352	(556)	(702.9)
Gain/(Loss) from fair value adjustments of investment properties	6	3,000	(1,200)	(350.0)
Gain on disposal of property, plant and equipment	6	9,954	-	n.m
Profit/(loss) before tax		2,043	(8,788)	(123.2)
Income tax expense	7	(1,864)	(691)	169.8
Profit/(loss) for the period, net of tax		179	(9,479)	(101.9)
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Foreign currency translation		(1,510)	2,796	(154.0)
Other comprehensive income/(loss) for the period, net of tax		(1,510)	2,796	(154.0)
Total comprehensive income/(loss) for the period		(1,331)	(6,683)	(80.1)
Profit/(loss) attributable to:				
Owners of the Company		1,230	(7,798)	(115.8)
Non-controlling interests		(1,051)	(1,681)	(37.5)
		179	(9,479)	(101.9)
Total comprehensive profit/(loss) attributable to:				
Owners of the Company		(708)	(3,870)	(81.7)
Non-controlling interests		(623)	(2,813)	(77.9)
		(1,331)	(6,683)	(80.1)

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 30 June 2026

		Group		Company	
		46,203	31/12/2025	30/6/2026	31/12/2025
	Note	$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	9	405,786	422,963	509	590
Investment properties	10	231,352	228,590	-	-
Subsidiaries		-	-	41,237	41,237
Associated companies		25,082	25,881	-	-
Joint venture companies		93,321	93,347	5,000	5,000
Investment security		5,172	7,172	-	-
Amounts due from associated companies and joint venture companies (non-trade)		75,010	76,184	-	-
Other receivables	13	31,347	34,033	-	-
Deferred tax asset		1,300	1,370	-	-
		868,370	889,540	46,746	46,827
Current assets					
Development properties		23,173	22,054	-	-
Trade receivables		3,398	2,987	-	-
Other receivables	13	17,938	29,744	4,541	11,929
Prepayments		2,261	1,500	199	333
Amounts due from subsidiaries (non-trade)		-	-	310,768	319,703
Amounts due from related parties (trade)		-	1	-	1
Amounts due from associated companies and joint venture companies (non-trade)		6,753	5,087	1,174	2,227
Fixed deposits		21,721	10,276	18,611	6,643
Cash and bank balances		39,248	40,440	3,635	7,753
		114,492	112,089	338,928	348,589
Current liabilities					
Trade payables		4,685	1,998	93	44
Other payables and accruals		21,267	16,887	1,614	1,445
Derivative financial instruments	8	52	-	52	-
Amounts due to subsidiaries (non-trade)		-	-	196,986	195,260
Lease liabilities		84	88	79	79
Bonds	12	10,800	53,800	10,800	53,800
Bank term loans	11	41,461	39,898	7,000	7,000
Income tax payable		2,044	3,703	-	-
		80,393	116,374	216,624	257,628
Net current assets/(liabilities)		34,099	(4,285)	122,304	90,961
Non-current liabilities					
Other payables and accruals		968	1,656	-	-
Lease liabilities		5,400	5,450	193	230
Amounts due to associated companies and joint venture companies (non-trade)		42,913	44,226	34,630	35,823
Amounts due to non-controlling interests (non-trade)		67,327	71,887	-	-
Derivative financial instruments	8	2,360	2,416	-	56
Bonds	12	43,000	-	43,000	-
Bank term loans	11	330,471	345,879	-	-
Deferred tax liabilities		2,771	2,715	178	173
		495,210	474,229	78,001	36,282
Net assets		407,259	411,026	91,049	101,506
Share capital and reserves					
Share capital	14	86,624	86,624	86,624	86,624
Treasury shares	15	(120)	(120)	(120)	(120)
Foreign currency translation reserve		(6,901)	(4,963)	-	-
Retained earnings		337,821	339,027	4,545	15,002
		417,424	420,568	91,049	101,506
Non-controlling interests		(10,165)	(9,542)	-	-
Total equity		407,259	411,026	91,049	101,506

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

Condensed interim consolidated statement of changes in equity
For the six months ended 30 June 2026

Group	Share Capital S$'000 (Note 14)	Treasury Shares S$'000 (Note 15)	Foreign Currency Translation Reserve S$'000	Retained Earnings S$'000	Total S$'000	Non-controlling Interests S$'000	Total Equity S$'000
	Attributable to equity holders of the Company						
Balance at 1 January 2025	86,624	(63)	(6,270)	350,722	431,013	(9,155)	421,858
Loss for the period	-	-	-	(7,798)	(7,798)	(1,681)	(9,479)
Other comprehensive income/(loss)							
- Foreign currency translation	-	-	3,928	-	3,928	(1,132)	2,796
Total comprehensive income/(loss) for the period	-	-	3,928	(7,798)	(3,870)	(2,813)	(6,683)
Treasury shares	-	(57)	-	-	(57)	-	(57)
Dividends on ordinary shares	-	-	-	(2,436)	(2,436)	-	(2,436)
Additional shares in subsidiary	-	-	-	-	-	1,300	1,300
Balance at 30 June 2025	86,624	(120)	(2,342)	340,488	424,650	(10,668)	413,982
Balance at 1 January 2026	86,624	(120)	(4,963)	339,027	420,568	(9,542)	411,026
Profit/(loss) for the period	-	-	-	1,230	1,230	(1,051)	179
Other comprehensive income/(loss)							
- Foreign currency translation	-	-	(1,938)	-	(1,938)	428	(1,510)
Total comprehensive income/(loss) for the period	-	-	(1,938)	1,230	(708)	(623)	(1,331)
Dividends on ordinary shares	-	-	-	(2,436)	(2,436)	-	(2,436)
Balance at 30 June 2026	86,624	(120)	(6,901)	337,821	417,424	(10,165)	407,259

Company	Share Capital S$'000 (Note 14)	Treasury shares S$'000 (Note 15)	Retained Earnings S$'000	Total Equity S$'000
Balance at 1 January 2025	86,624	(63)	14,192	100,753
Total comprehensive income for the period	-	-	6,503	6,503
Treasury Shares	-	(57)	-	(57)
Dividend on ordinary shares	-	-	(2,436)	(2,436)
Balance at 30 June 2025	86,624	(120)	18,259	104,763
Balance at 1 January 2026	86,624	(120)	15,002	101,506
Total comprehensive loss for the period	-	-	(8,021)	(8,021)
Dividends on ordinary shares	-	-	(2,436)	(2,436)
Balance at 30 June 2026	86,624	(120)	4,545	91,049

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 six months ended 30 June 2026

	Group	
	HY2026 $'000	HY2025 $'000
Cash flows generated from operating activities		
Profit/(loss) before tax	2,043	(8,788)
Adjustments for:		
Depreciation of property, plant and equipment	3,459	3,215
Fair value losses on derivative financial instruments	31	60
Fair value loss on investment security	2,000	-
(Gain)/loss from fair value adjustments of investment properties	(3,000)	1,200
Impairment losses on financial assets	8,892	-
Share of results of associated companies/joint venture companies	(3,352)	556
Interest expense	12,201	13,719
Interest income	(282)	(582)
Gain on disposal of property, plant and equipment	(9,954)	-
Unrealised exchange differences	306	2,110
Operating cash flows before changes in working capital	12,344	11,490
Increase in development property	(1,321)	(441)
Increase in trade receivables	(548)	(7)
Decrease/(Increase) in other receivables	4,751	(1,234)
Increase in prepayments	(777)	(1,283)
Increase in trade payables	2,685	474
Increase in other payables and accruals	3,914	839
Cash flows from operations	21,048	9,838
Interest received	282	582
Interest paid, excluding amounts capitalised	(12,201)	(13,719)
Income taxes paid	(2,804)	(1,782)
Net cash flows generated from/(used in) operating activities	6,325	(5,081)
Cash flows from investing activities		
Net proceeds from disposal of property, plant and equipment	23,852	-
Additions to property, plant and equipment	(3,156)	(4,714)
Dividend income from investment security, associated companies and joint venture companies	3,620	1,500
Net loan to associated companies and joint venture companies	(239)	(7,708)
Proceeds on maturity of treasury bills	-	2,000
Net cash flows generated from/(used in) investing activities	24,077	(8,922)
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(41)	(112)
Proceeds from bank loans	680	41,768
Repayment of bank loans	(12,857)	(20,528)
Repayment of loan to non-controlling interests	(5,037)	(1,243)
Purchase of treasury shares	-	(57)
Dividends paid on ordinary shares of the Company	(2,436)	(2,436)
(Restricted)/release of cash pledge for bank facility	(226)	20,490
Net cash flows (used in)/generated from financing activities	(19,917)	37,882
Net increase in cash and cash equivalents	10,485	23,879
Effect of exchange rate changes on cash and cash equivalents	(459)	612
Cash and cash equivalents at beginning of period	47,023	29,851
Cash and cash equivalents at end of period	57,049	54,342

Note: Cash and cash equivalents

	Group	
	HY2026 $'000	HY2025 $'000
Fixed deposits	21,721	16,199
Cash and bank balances	39,248	42,386
Cash and cash equivalents per balance sheet	60,969	58,585
Restricted cash - cash pledge for bank facility	(3,920)	(4,243)
Cash and cash equivalents at end of period	57,049	54,342

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

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 half year ended 30 June 2026 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 2025.

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 2025 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 2026. 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 30 June 2026 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 geo-political 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 and property investment holding. 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.

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	
	HY2026	**HY2025**
	$'000	$'000
Revenue from contracts with customers	30,673	30,498
Rental income from investment properties	6,576	6,372
	37,249	36,870

4. Segment and revenue information (cont'd)

(a) Reportable segments

Six months ended 30 June 2026	**Property Investment** $'000	**Property Development** $'000	**Corporate** $'000	**Hospitality** $'000	**Elimination** $'000	**Consolidated** $'000
Revenue:						
Sale to external customers	6,576	-	376	30,297	-	37,249
Inter-segment revenue	412	-	3,777	4,313	(8,502)	-
Total revenue	6,988	-	4,153	34,610	(8,502)	37,249
Results:						
Finance income	-	-	15,249	-	(14,967)	282
Finance expense	(1,913)	-	(15,126)	(9,795)	14,633	(12,201)
Impairment losses on financial assets	(32)	(1,023)	(7,837)	-	-	(8,892)
Fair value losses on derivative financial instruments	-	-	(31)	-	-	(31)
Fair value loss on investment security	-	(2,000)	-	-	-	(2,000)
Gain/(Loss) from fair value adjustments of investment properties	3,000	-	-	-	-	3,000
Gain on disposal of property, plant and equipment	-	-	-	9,954	-	9,954
Depreciation of property, plant and equipment	(69)	-	(171)	(3,219)	-	(3,459)
Share of results of associated companies/joint venture companies	3,471	(503)	-	384	-	3,352
Segment profit/(loss) before tax	9,256	(3,531)	(12,562)	9,212	(332)	2,043
Assets:						
Investment in associated companies and joint venture companies	91,602	12,834	-	13,967	-	118,403
Net additions/(disposals) of non-current assets	252	-	(99)	(20,849)	-	(20,696)
Segment assets	255,965	79,292	1,051,392	558,611	(962,398)	982,862
Segment liabilities	170,097	32,748	961,887	317,832	(906,961)	575,603

4. Segment and revenue information (cont'd)

(a) Reportable segments (cont'd)

Six months ended 30 June 2025	Property Investment $'000	Property Development $'000	Corporate $'000	Hospitality $'000	Elimination $'000	Consolidated $'000
Revenue:						
Sale to external customers	6,372	-	543	29,955	-	36,870
Intersegment revenue	414	-	3,459	4,279	(8,152)	-
Total revenue	6,786	-	4,002	34,234	(8,152)	36,870
Results:						
Finance income	-	-	15,863	-	(15,281)	582
Finance expense	(2,808)	-	(15,865)	(10,002)	14,956	(13,719)
Fair value losses on derivative financial instruments	-	-	(60)	-	-	(60)
Loss on fair value adjustment of investment properties	(1,200)	-	-	-	-	(1,200)
Depreciation of property, plant and equipment	(27)	-	(152)	(3,036)	-	(3,215)
Share of results of associated companies/joint venture companies	1,363	(513)	19	(1,425)	-	(556)
Segment profit/(loss) before tax	2,036	(533)	(6,574)	(3,393)	(324)	(8,788)
Assets:						
Investment in associated companies and joint venture companies	92,394	2,363	-	12,706	-	107,463
Additions to non-current assets	188	-	488	4,038	-	4,714
Segment assets	250,844	56,514	1,080,480	570,633	(955,290)	1,003,181
Segment liabilities	169,148	33,569	958,569	333,970	(906,057)	589,199

4. Segment and revenue information (cont'd)

(b) Disaggregation of revenue from contracts with customers

Segments	Hospitality		Corporate		Total Revenue	
	HY2026	HY2025	HY2026	HY2025	HY2026	HY2025
	$'000	$'000	$'000	$'000	$'000	$'000
Primary geographical markets						
Singapore	–	–	138	317	138	317
United Kingdom	29,478	30,003	179	178	29,657	30,181
Others	878	–	–	–	878	–
	30,356	30,003	317	495	30,673	30,498
Major product or service line						
Hotel operation income	30,356	30,003	–	–	30,356	30,003
Management fee income	–	–	317	495	317	495
	30,356	30,003	317	495	30,673	30,498
Timing of transfer of goods or services						
At a point in time	30,356	30,003	317	495	30,673	30,498

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2026 and 31 December 2025.

	Group		Company	
	30/6/2026	**31/12/2025**	**30/6/2026**	**31/12/2025**
	$'000	$'000	$'000	$'000
Financial assets measured at amortised cost:				
Amounts due from associated companies and joint venture companies (non-trade)	81,763	81,271	1,174	2,227
Trade receivables	3,398	2,987	-	-
Other receivables	49,285	63,777	4,541	11,929
Amounts due from subsidiaries (non-trade)	-	-	310,768	319,703
Amounts due from related parties (trade)	-	1	-	1
Fixed deposits	21,721	10,276	18,611	6,643
Cash and bank balances	39,248	40,440	3,635	7,753
	195,415	198,752	338,729	348,256
Financial liabilities measured at amortised cost:				
Trade payables	4,685	1,998	93	44
Other payables and accruals[1]	20,734	15,831	1,251	718
	25,419	17,829	1,344	762
Other payables (non-current)				
Other payables and accruals	968	1,656	-	-
Total trade and other payables	26,387	19,485	1,344	762
Loans and borrowings (current)				
Amounts due to subsidiaries (non-trade)	-	-	196,986	195,260
Lease liabilities	84	88	79	79
Bonds	10,800	53,800	10,800	53,800
Bank term loans	41,461	39,898	7,000	7,000
	52,345	93,786	214,865	256,139
Loans and borrowings (non-current)				
Amounts due to associated companies and joint venture companies (non-trade)	42,913	44,226	34,630	35,823
Amounts due to non-controlling interests (non-trade)	67,327	71,887	-	-
Lease liabilities	5,400	5,450	193	230
Bonds	43,000	-	43,000	-
Bank term loans	330,471	345,879	-	-
Total loans and borrowings	541,456	561,228	292,688	292,192
Total finance liabilities measured at amortised cost	567,843	580,713	294,032	292,954
Financial (liability)/asset at fair value through profit or loss:				
Derivative financial instruments	(2,412)	(2,416)	(52)	(56)

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

6. Profit/(loss) before tax

(a) Significant items

	Group	
	30/6/2026	**HY2025**
	$'000	$'000
Finance income	282	582
Finance expenses	(12,201)	(13,719)
Fair value loss on investment security	(2,000)	-
Depreciation of property, plant and equipment	(3,459)	(3,215)
Fair value losses on derivative financial instruments	(31)	(60)
Gain/(Loss) from fair value adjustments of investment properties	3,000	(1,200)
Impairment losses on financial assets	(8,892)	-
Gain on disposal of property, plant and equipment	9,954	-

(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 period at terms agreed between the parties:

	Group		Company	
	30/6/2026	**HY2025**	**30/6/2026**	**HY2025**
	$'000	$'000	$'000	$'000
Income				
Interest income				
- subsidiaries	-	-	6,179	6,003
- associated companies	65	11	-	-
Management fee income				
- subsidiaries	-	-	204	224
- associated companies	299	286	60	60
- joint venture companies	1,069	1,030	1,000	1,000
Expenses				
Management fee paid to a subsidiary	-	-	870	792
Interest expenses				
- subsidiaries	-	-	4,937	5,106
- joint venture companies	307	523	307	523
- related company	55	99	-	-
Rental paid to a subsidiary	-	-	142	142

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	
	HY2026	**HY2025**
	$'000	$'000
Current income tax	1,144	653
Deferred income tax	720	38
Income tax expense recognised in profit or loss	1,864	691

8. Derivative financial instruments

The following sets out the aggregate amount of the Group's and Company's derivative financial instruments 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	
Assets/(liabilities)	**30/6/2026**	**31/12/2025**	**30/6/2026**	**31/12/2025**
	$'000	$'000	$'000	$'000
Interest rate swaps				
– current	(52)	–	(52)	–
– non-current	–	(56)	–	(56)
Forward contract (non-current)	(2,360)	(2,360)	–	–
	(2,412)	(2,416)	(52)	(56)

On 12 December 2025, Heeton Homes Pte. Ltd. ("Heeton Homes") entered into a call option agreement with a non-related third party.

As per the terms of the option, Heeton Homes incorporated a new subsidiary, Changi Invesco Pte. Ltd. ("Changi Invesco"), on 18 December 2025 and transfer its full 20% equity interest in an associated company to Changi Invesco on 21 January 2026.

The call option was exercised on 16 December 2025, whereby Heeton Homes will transfer 25% of its shares in Changi Invesco for a cash consideration on completion targeted in September 2027. Consequently, the exercise of the option has effectively converted into a forward contract.

8. Derivative financial instruments (cont'd)

	Group and Company			
	30/6/2026		**31/12/2025**	
	Outstanding notional amounts	**Liability**	**Outstanding notional amounts**	**Assets**
	$'000	$'000	$'000	$'000
Current	10,000	(52)	–	–
Non-current	–	–	10,000	(56)
Interest rate swaps	10,000	(52)	10,000	(56)

The Group and the Company entered into interest rate swaps in Singapore Dollars (2025: Singapore Dollars) to manage its exposure to interest rate fluctuation on its floating rate loans and borrowings. The interest rate swaps will mature in June 2027.

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 30 June 2026, the carrying value of property, plant and equipment (collectively, "properties") mainly relating to the Group's portfolio of hotel properties amounted to $405,786,000 and accounted for 41.3% 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.

Acquisition and disposal of property, plant and equipment

In April 2026, the Group sold a hotel property in Sapporo, Japan with a net carrying amount of approximately $13.1 million for a cash consideration of $27.1 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 30 June 2026 are as follows:

Description and location	**Existing use**	**Tenure**	**Unexpired lease term**
Tampines Mart (Block 5, 7, 9, 11 Tampines Street 32)	Shops	Leasehold	66 years
62 Sembawang Road	Transport facility	Freehold	Estate in perpetuity
Adam House (7-10 Adam Street, London, United Kingdom)	Serviced office	Freehold	Freehold

	Group	
	30/6/2026	**31/12/2025**
	$'000	$'000
Cost		
Balance at beginning of period/year	228,590	226,817
Exchange differences	(238)	412
Gains from fair value adjustments recognised in profit or loss during the period/year ended	3,000	1,361
Balance at end of period/year	231,352	228,590

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.

<u>Valuation of investment properties</u>

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 4.70% to 5.25% (31 December 2025: 4.75% to 5.25%) 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	
	30/6/2026	**31/12/2025**	**30/6/2026**	**31/12/2025**
	$'000	$'000	$'000	$'000
Unsecured	7,000	7,000	7,000	7,000
Secured	364,932	378,777	–	–
	371,932	385,777	7,000	7,000
Repayable:				
- not later than 1 year	41,461	39,898	7,000	7,000
- 1 year through 5 years	330,471	345,879	–	–
	371,932	385,777	7,000	7,000

12. Bonds

The Group had bond issue outstanding as at 30 June 2026 of $10,800,000 which is unsecured and bears interest at a fixed rate of 7.0% per annum due November 2026. $43,000,000 of the bond issue was exchanged which is unsecured and bears interest at a fixed rate of 5.5% per annum due January 2030.

The Group had bond issue outstanding as at 31 December 2025 of $53,800,000 which is unsecured and bears interest at a fixed rate of 7.0% per annum due November 2026.

13. Other receivables

	Group		Company	
	30/6/2026	**31/12/2025**	**30/6/2026**	**31/12/2025**
	$'000	$'000	$'000	$'000
Non-current portion:				
Promissory notes receivables	18,000	18,000	–	–
Amount due from investee company	9,100	11,600	–	–
Other receivables	4,247	4,433	–	–
	31,347	34,033	–	–
Current portion:				
Senior notes receivables	4,000	4,000	4,000	4,000
Promissory notes receivables	14,000	14,000	14,000	14,000
Amount due from investee company	–	4,904	–	–
Sundry receivables	40,067	39,149	26,670	26,238
Less: Allowance for expected credit loss	(40,129)	(32,309)	(40,129)	(32,309)
	17,938	29,744	4,541	11,929

13. Other receivables (cont'd)

Senior notes receivables are unsecured, bear interest at 3% per annum and are repayable in 2026, or if extended, repayable in 2027 (FY2025: Unsecured, bear interest at 3% per annum and are repayable in 2026, or if extended, repayable in 2027).

Promissory notes receivables are unsecured, with $14,000,000 (current) which bear interest at 3.0% per annum and repayable in 2026, or if extended, repayable in 2027 and $18,000,000 (non-current) which bear interest at 3.5% per annum and are repayable in 2027, or if extended, repayable in 2029. (FY2025: $14,000,000 (current) which bear interest at 3.0% per annum and repayable in 2026, or if extended, repayable in 2027 and $18,000,000 (non-current) which bear interest at 3.5% per annum and are repayable in 2027, or if extended, repayable in 2029).

The non-current amount due from investee company amounting to $9,100,000 relates to shareholder's loan to an investee company are unsecured and non-interest bearing, and are not expected to be repaid within the next 12 months, and are to be settled in cash (2025: $11,600,000 relates to shareholder's loan to an investee company are unsecured and non-interest bearing, and are not expected to be repaid within the next 12 months, and are to be settled in cash). The current amount due from investee company amounting to $Nil (2025: $4,904,000 are unsecured, bear interest at 4% per annum, and are expected to be repaid within the next 12 months, and are to be settled in cash).

Sundry receivables (current portion) are unsecured, with $2,500,000 which bear interest at 3.5% per annum and $40,067,000 which are non-interest bearing and are repayable within the next 12 months. Sundry receivables (non-current portion) of $4,247,000 are unsecured, non-interest bearing and are not expected to be repaid within the next 12 months (FY2025: Sundry receivables (current portion) are unsecured, with $2,500,000 which bear interest at 3.5% per annum and $36,649,000 which are non-interest bearing and are repayable within the next 12 months. Sundry receivables (non-current portion) of $4,433,000 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.

14. Share capital

	Group and Company			
	Number of ordinary shares issued			
	30/6/2026	31/12/2025	30/6/2026	31/12/2025
			$'000	$'000
Issued and fully paid ordinary shares:				
At the beginning and end of period/year	487,734,735	487,734,735	86,624	86,624

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

15. Treasury shares

	Group and Company			
	Number of treasury shares			
	30/6/2026	31/12/2025	30/6/2026	31/12/2025
			$'000	$'000
At beginning of period/year	500,000	250,000	120	63
Acquired during the period/year	–	250,000	–	57
At end of period/year	500,000	500,000	120	120

As at 30 June 2026, the Company's treasury shares represent 0.10% (2025: 0.10%) of the total number of issued shares.

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

16. Event occurring after reporting period

The Company completed an exchange offer in relation to its 7.00% notes due November 2026 (Series 006) and, on 2 July 2026, issued $90.0 million 5.50% notes due January 2030 (Series 007) under its $300 million Multicurrency Debt Issuance Programme, comprising $43.0 million exchanged and $47.0 million newly issued. Following the exchange, $10.8 million of the Series 006 notes remains outstanding, maturing on 3 November 2026.

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 2026 to 30 June 2026. There are no outstanding convertible securities as at 30 June 2026 and 31 December 2025.

   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 19 – 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 2025 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 2026. 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.

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		
	HY2026	**HY2025**	**Increase/ (decrease)**
	Cents	Cents	%
Profit/(loss) per ordinary share from continuing operations attributable to equity holders of the Company for the period			
(a) On a basic basis	0.25	(1.60)	115.6%
(b) On a fully diluted basis	0.25	(1.60)	115.6%

The above are calculated by dividing the net profit attributable to equity holders of the Company over the weighted average number of ordinary shares (excluding treasury shares) in issue during the current period of 487,484,735 ordinary shares (30 June 2025: 487,367,332 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	
	30/6/2026	**31/12/2025**	**30/6/2026**	**31/12/2025**
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	85.67	86.32	18.69	20.83

The above have been computed based on 487,234,735 ordinary shares (excluding treasury shares) in issue as at 30 June 2026 and 31 December 2025.

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

<u>Commentary on the Consolidated Income Statements</u>

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

The Group's turnover for the six months ended 30 June 2026 ("HY2026") increased marginally by 1.0% to $37.25 million compared to $36.87 million for the previous corresponding period ended 30 June 2025 ("HY2025").

Other operating income increased to $3.41 million in HY2026 from $1.22 million in HY2025 mainly due to dividends received from the investment security amounting to $2.00 million. Correspondingly, the Group has recognised a fair value losses on investment security.

Finance expenses comprised mainly interest on the bond and bank loans. It decreased from $13.72 million in HY2025 to $12.20 million in HY2026 mainly due to lower interest rate on bank borrowings repayment of term loans.

The Group recorded impairment of $8.89 million on financial assets in HY2026 mainly on the other receiveables, the investment in associated companies and amount due from associated companies.

Share of results from associated companies/joint venture companies was a gain of $3.35 million in HY2026 compared to a loss of $0.56 million in HY2025. This is mainly due to higher profits recognised for our joint venture company as a result of lower financing costs and fair value gain recognised on valuation of investment property.

The Group recorded a gain on fair value adjustment of investment property of $3.00 million in HY2026 from Tampines Mart (HY2025: fair value loss of $1.2 million from 62 Sembawang Road.)

In April 2026, the Group sold a hotel property in Sapporo, Japan with a net carrying amount of approximately $13.10 million for a cash consideration of $27.10 million (the “Disposal”). Net gain of $9.95 million on the Disposal after related expenses, was recognised as gain on disposal of property, plant and equipment in the statement of comprehensive income.

Income tax expense increased by $1.17 million in HY2026 mainly due to higher taxable profits and deferred tax recognised on timing differences arising from movement in property, plant and equipment.

Taking into account all the above factors, the Group recorded a net loss after tax of $1.33 million for HY2026, compared to a net loss after tax of $6.68 million recorded in HY2025.

<u>Commentary on the Consolidated Balance Sheets</u>

Property, plant and equipment amounting to $405.79 million comprised mainly hotel properties. The decrease of $17.18 million in HY2026 was mainly due to the Disposal and the depreciation charges recognised.

Investment properties increased from $226.82 million to $231.35 million mainly due to the gain from fair value adjustment of an investment property.

Included in other receivables are mainly Notes receivables totalling $36.00 million and $9.10 million arises from the Group's loan to investment securities. Total other receivables decreased from $63.78 million in FY2025 to $49.29 million in HY2026 mainly due to the impairment made during the period and repayment of the loan due from investee company

Fixed deposits, cash and bank balances totalled $60.97 million in HY2026 compared to $50.72 million in FY2025. The increase is mainly due to net proceeds received from the Disposal.

The Group had bond issue outstanding as at 30 June 2026 of $10,800,000 which is unsecured and bears interest at a fixed rate of 7.0% per annum due November 2026. $43,000,000 of the bond issue was exchanged which is unsecured and bears interest at a fixed rate of 5.5% per annum due January 2030.

Total bank term loans and short-term bank loans decreased from $385.78 million in FY2025 to $371.93 million in HY2026 mainly as a result of repayment of term loans after the Disposal.

The Group recorded a foreign currency translation loss of $1.94 million mainly as a result of the depreciation of the Japanese Yen, Pound Sterling and Bhutanese Ngultrum during the period.

Commentary on the Cashflow Statement

The increase in cash and cash equivalents of $10.49 million in HY2026 can be attributed to the following major cash inflows and outflows:

Cash inflows:
- net cash flows generated from operating activities of $6.33 million;
- proceeds from disposal of property, plant and equipment of $23.85 million; and
- dividend received from associated and joint venture companies of $3.62 million.

Cash outflows:
- additions to property, plant and equipment of $3.16 million;
- net repayment of bank loans of $12.18 million;
- net repayment of loans to non-controlling interest of $5.04 million; and
- payment of dividend of $2.44 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 HY2026 of the Group are in line with the statement made in paragraph 10 of the results announcement for the year ended 31 December 2025.

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 –

The International Monetary Fund ("IMF") projects global growth of 3.0% in 2026 and 3.4% in 2027, below the average recorded in 2024 and 2025. The outlook is uneven, with the shock from the war in the Middle East weighing on energy importers while demand driven by artificial intelligence (AI) supports economies integrated into the global technology value chain. Global headline inflation is projected at 4.7% in 2026, up from 4.1% in 2025, before easing to 3.9% in 2027. Risks remain tilted to the downside, including renewed Middle East conflict, trade fragmentation and a correction in technology-driven expectations.

In the United Kingdom ("UK"), GDP grew by 0.6% in the first quarter of 2026 and by 0.7% in the three months to May 2026, a sixth consecutive period of three-month growth, pointing to a continued gradual improvement in activity, although overall momentum remains modest. The IMF projects UK growth of 1.0% in 2026, recovering to 1.3% in 2027 as the energy shock fades, with core inflation returning to the central bank's target only gradually, by mid-2027.

In Singapore, the economy expanded by 5.0% in 2025 and grew by 5.7% year-on-year in the second quarter of 2026 based on advance estimates, easing from 6.3% in the previous quarter, led by manufacturing on strong AI-related semiconductor demand. The Ministry of Trade and Industry has maintained its 2026 GDP growth forecast at 2.0% to 4.0%, while noting that downside risks to the economic outlook have risen significantly.

Singapore's tourism receipts grew by about 6% year-on-year in the first quarter of 2026, although visitor arrivals for the first half eased by 2% to 8.2 million, with some source markets softening. For 2026, the Singapore Tourism Board projects receipts of $31.0 to $32.5 billion, just below the record $32.8 billion achieved in 2025, and arrivals of 17 to 18 million, up from 16.9 million, a measured outlook amid global uncertainty. The hotel industry maintained stable performance in 2025, with average occupancy of 81.9% and room rates and RevPAR broadly flat.

Across the Asia Pacific, the hospitality sector has remained broadly resilient, although geopolitical tensions and disruptions to air travel linked to the conflict in the Middle East have weighed on travel patterns in some markets. Operators continue to prioritise efficiency, technology adoption and cost management.

Amidst the current operating environment, Heeton remains committed to prudent management of its hospitality and investment properties portfolio. Its Singapore investment properties, Tampines Mart and 62 Sembawang Road, together with Sun Plaza, held through a joint-venture company, continue to provide a stable base of recurring income. The property development arm continues to participate in land tenders in Singapore's residential sector through consortiums and has participated in the Upper Thomson Road (Parcel A) project through a joint venture to develop a fully integrated residential and commercial property, strengthening the Group's development pipeline.

The Group's first Singapore hotel investment, Dorsett Changi City Singapore Hotel, is operating with an enlarged inventory of 419 rooms following enhancement works, while the Heeton Concept Aparthotel Queen Street Edinburgh and Dawa at Hilltop by Heeton in Bhutan are in full operation. In early 2026, the Group made its second Singapore hotel investment, in the Link Hotel Singapore with a consortium, and in April 2026 divested Smile Hotel Sapporo, Japan, as part of ongoing portfolio optimisation.

As part of its prudent capital management strategy to term out its debt maturity profile, the Company completed an exchange offer in relation to its 7.00% notes due 2026 (Series 006) and, on 2 July 2026, issued $90.0 million 5.50% notes due 2030 (Series 007) under its $300 million Multicurrency Debt Issuance Programme, comprising $43.0 million exchanged and $47.0 million newly issued. Following the exchange, $10.8 million of the Series 006 notes remains outstanding, maturing on 3 November 2026, while net proceeds from the Series 007 notes will be deployed for general corporate and funding purposes.

Looking ahead into the next reporting period and the next 12 months, the Group remains mindful of elevated operating and labour costs, tightening hospitality margins, and macroeconomic and geopolitical uncertainty. It will maintain a cautious stance, focusing on operational discipline, margin protection, cost control, financial resilience, prudent risk management and portfolio optimisation across its hospitality, investment and development assets, while pursuing compelling, value accretive opportunities, both independently and through strategic partnerships.

11. Dividend

(a) Current Financial Period Reported On
Any dividend 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.

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

No dividend has been declared by the Board of the Company in respect of HY2026 (HY2025 - Nil). It is not the Company's practise to pay dividend in the first half of the financial year.

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. 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.

16. 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 six months ended 30 June 2026 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Toh Giap Eng	Hoh Chin Yiep
Executive Chairman	Executive Director and CEO
7 August 2026	