Low Keng Huat (Singapore) Limited

Condensed interim financial statements
Six-month period ended 31 July 2022

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

Condensed Interim Financial Statements For the Six-month Period Ended 31 July 2022

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF YEARLY RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed interim consolidated statement of profit or loss

	Note	Six-month period ended 31/07/2022 $'000	Six-month period ended 31/07/2021 $'000	Increase / (Decrease) %
Revenue	1	49,771	88,941	(44)
Cost of sales	2	(39,888)	(77,923)	(49)
Gross profit		9,883	11,018	(10)
Other income	3	6,869	29,591	(77)
Interest income	4	408	2,545	(84)
Distribution costs	5	(1,681)	(7,326)	(77)
Administrative costs	6	(6,598)	(4,966)	33
Other operating expenses	7	(25,212)	(1,025)	n.m.
Finance costs	8	(5,732)	(3,342)	72
(Loss)/profit from operations		(22,063)	26,495	n.m.
Share of results of associated companies and joint ventures	9	(599)	(281)	113
(Loss)/profit before taxation		(22,662)	26,214	n.m.
Taxation	10	(1,233)	(1,202)	3
(Loss)/profit after taxation for the period		(23,895)	25,012	n.m.
Attributable to:				
Owners of the parent	11	(24,119)	25,068	n.m.
Non-controlling interests		224	(56)	n.m.
		(23,895)	25,012	n.m.
(Loss)/earnings per share (cents)				
- basic		(3.26)	3.39	n.m.
- diluted		(3.26)	3.39	n.m.
n.m.: Not Meaningful				

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Condensed interim consolidated statement of comprehensive income

	Six-month period ended 31/07/2022 $'000	Six-month period ended 31/07/2021 $'000	Increase / (Decrease) %
Net (loss)/profit for the period	(23,895)	25,012	n.m.
Other comprehensive 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%)	268	1,633	(84)
Exchange differences on translation of the financial statements of foreign entities (net)	9	(1)	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)	(35)	(745)	(95)
Total other comprehensive income for the period, net of tax	242	887	(73)
Total comprehensive (loss)/income for the period	(23,653)	25,899	n.m.
Total comprehensive (loss)/income attributable to:			
Owners of the parent	(23,895)	25,956	n.m.
Non-controlling interests	242	(57)	n.m.
Total comprehensive (loss)/income for the period	(23,653)	25,899	n.m.

n.m.: Not Meaningful

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

1 Consolidated revenue decreased to $49.8M for the six-month period ended 31 July 2022 ("1HFY2023") from $88.9M for the six-month period ended 31 July 2021 ("1HFY2022"), mainly due to lower contribution from the Development segment, partially offset by higher contributions from the Hotel and Investment segments.

Revenue from the Development segment declined to $19.5M from $67.2M over the same period in the previous year. Last year, Development revenue was mainly driven by sales at Uptown @ Farrer. The project obtained Temporary Occupation Permit ("TOP") in September 2021. In 1HFY2023, the remaining 4 units of the project (out of 116 units) were sold. In August 2021, Klimt Cairnhill, another residential project, was launched. As at 31 July 2022, 7 units (out of 138 units) in Klimt Cairnhill were sold.

Revenue from the Hotel segment increased to $16.5M in 1HFY2023 from $9.9M over the same period in the previous year, due to improved occupancy rates and average room rates at Duxton Hotel Perth and Citadines Balestier. In addition, Lyf @ Farrer commenced operation in February 2022, which further contributed to 1HFY2023 revenue.

Revenue from the Investment segment increased to $13.8M in 1HFY2023 from $11.9M over the same period in the previous year. The higher revenue from this segment was mainly driven by construction activities at Dalvey Haus project, which is a residential development project 40% owned by the Group.

2 Cost of sales decreased to $39.9M in 1HFY2023 from $77.9M over the same period in the previous year. The decrease in cost of sales was mainly due to the lower contribution from the development segment.

3 Other income decreased to $6.9M in 1HFY2023 from $29.6M over the same period in the previous year. In 1H of the previous year, the Group recognised gains on disposal of investment in joint ventures pertaining to the Westgate group of companies amounting to $19.7M, and gains on disposal of investment properties, comprising 4 office units at Paya Lebar Square amounting to $8.6M. In 1HFY2023, the Group recognised a gain on early repayment of shareholders' loan amounting to $4.8M, in conjunction with the sale of its 20% equity interest in PRE 13 Pte. Ltd. ("PRE13").

4 Interest income decreased to $0.4M in 1HFY2023 from $2.5M over the same period in the previous year, mainly due to a decrease in imputed interest income from loans to joint ventures and associates. These loans include a shareholder loan to PRE13, which was fully repaid in 1HFY2023, as well as shareholder loans to Westgate Tower Pte. Ltd. and Westgate Commercial Pte. Ltd., which were fully repaid in 1HFY2022.

5 Distribution costs decreased to $1.7M in 1HFY2023 from $7.3M over the same period in the previous year. The decrease was mainly due to lower sales agent commission incurred at Uptown @ Farrer and lower show flat costs fort Klimt Cairnhill in 1HFY2023.

6 Administrative costs increased to $6.6M in 1HFY2023 from $5.0M over the same period in the previous year, mainly due to fees incurred for the disposal of equity interest in PRE13 to CEL Shenton Pte. Ltd. and Sing-Haiyi Emerald Pte. Ltd.

7 Other operating expenses increased to $25.2M in 1HFY2023 from $1.0M over the same period in the previous year, 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"). This transaction follows the Group's disposal of an effective 10% interest in AXA Tower in June 2020, which resulted in a $50.2M gain on disposal for FY2021, leading to a net effective gain of $31.7M for its investment in AXA Tower.

8 Finance costs increased to $5.7M in 1HFY2023 from $3.3M in 1HFY2022, mainly due to higher loan interest rates, as well as finance costs incurred for Klimt Cairnhill, which was capitalised prior to its sales launch on 28 August 2021.

9 Share of results of associated companies and joint ventures was negative $0.6M in 1HFY2023 as compared to negative $0.3M over the same period in the previous year. This was mainly due to a share of losses recognised for PRE13 for the current period, as compared to profit recognised last year.

10 The basis of tax computation is set out below:

	6 months ended		Increase /
	31/07/2022	31/07/2021	(Decrease)
	$'000	$'000	%
- Local tax	(1,950)	(1,040)	88
- Foreign tax	717	(162)	n.m.
	(1,233)	(1,202)	3

Taxation expense remained stable as the higher tax expenses recognised for local companies in 1HFY2023 was partially offset by the recognition of deferred tax assets for Duxton Hotel Perth.

11 Net profit attributable to shareholders was negative $24.1M in 1HFY2023, as compared to a $25.1M profit in 1HFY2022. The net loss for the period 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. This transaction follows the Group's earlier disposal of an effective 10% interest in AXA Tower (via PSI's sale of stake in Perennial Shenton Holding Pte. Ltd.) in June 2020, which resulted in a $50.2M gain on disposal for FY2021. Therefore, the Group's net gains for its investment in AXA Tower, aggregating the two transactions, was $31.7M.

In 1HFY2022, the Group recognised gains on disposal of Westgate group of companies and office units at Paya Lebar Square amounting to $19.7M and $8.6M, respectively. In addition, the higher finance costs in 1HFY2023 also contributed to the lower net income.

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

		Group		Company	
	Note	31/07/2022 $'000	31/01/2022 $'000	31/07/2022 $'000	31/01/2022 $'000
ASSETS					
Non-current assets					
Investment properties	1	291,702	293,716	-	-
Property, plant and equipment	1	302,541	308,074	4,409	4,788
Subsidiaries		-	-	696,984	675,433
Joint ventures		10,229	10,812	10,396	10,797
Associated companies	2	28,201	92,288	-	-
Financial assets at FVOCI	3	5,573	13,458	-	1,267
Financial asset at FVPL	3	38,007	15,708	-	-
Other receivables	4	1,702	1,262	3,933	2,990
Deferred tax assets		923	201	-	-
		678,878	735,519	715,722	695,275
Current assets					
Cash and cash equivalents	5	48,264	119,929	10,460	25,607
Fixed deposits	5	7,473	7,473	-	-
Amount owing by subsidiaries		-	-	3,003	2,230
Amount owing by non-controlling interests	6	-	1,618	-	-
Trade and other receivables	4	10,126	9,650	3,602	3,072
Inventories		392	406	-	-
Contract assets	7	29,415	24,829	3,428	2,167
Contract costs		1,536	1,018	-	-
Development properties	8	537,324	546,501	-	-
		634,530	711,424	20,493	33,076
Total assets		1,313,408	1,446,943	736,215	728,351
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		1,872	1,860	-	516
Retained profits		501,497	540,127	490,655	509,313
Exchange fluctuation account		(2,616)	(2,563)	-	-
		632,402	671,073	652,518	671,692
Non-controlling interests	9	10,898	12,536	-	-
Total equity		643,300	683,609	652,518	671,692
LIABILITIES					
Non-current liabilities					
Borrowings	10	460,392	654,745	2,981	3,602
Trade and other payables	11	1,659	3,106	-	-
Provisions		29	28	-	-
Deferred tax liabilities		3,082	3,082	-	-
		465,162	660,961	2,981	3,602
Current liabilities					
Trade and other payables	11	26,951	29,859	14,604	13,580
Contract liabilities		-	1,554	-	-
Amount owing to subsidiaries		-	-	54,674	12,944
Amount owing to joint ventures		-	253	-	-
Amount owing to non-controlling interests		1,320	1,350	-	-
Provision for directors' fee		108	215	108	215
Provision for taxation		6,166	5,711	95	95
Borrowings	10	170,401	63,431	11,235	26,223
		204,946	102,373	80,716	53,057
Total liabilities		670,108	763,334	83,697	56,659
Total equity and liabilities		1,313,408	1,446,943	736,215	728,351

1(b)(ii) Notes to the balance sheets

1 The net book value of Investment properties decreased by $2.0M to $291.7M as at 31 July 2022 from $293.7M as at 31 January 2022. The net book value of Property, plant and equipment decreased by $5.6M to $302.5M as at 31 July 2022 from $308.1M as at 31 January 2022. The decrease was mainly due to depreciation of investment properties and property, plant and equipment, amounting to $2.0M and $4.2M, respectively.

2 Associated companies decreased by $64.1M to $28.2M as at 31 July 2022 from $92.3M as at 31 January 2022, mainly due to the disposals of PRE13 and PSI. Carrying amount of investment in PRE13 and PSI were $24.3M and $0.4M respectively, on date of disposal. There was also a repayment of shareholder's loan due from PRE13, which had a carrying amount of $39.0M.

3 Financial assets at FVOCI decreased by $7.9M to $5.6M as at 31 July 2022 from $13.5M as at 31 January 2022. The decrease was mainly due to disposal of certain investments. Financial assets at FVPL increased by $22.3M to $38.0M as at 31 July 2022 from $15.7M as at 31 January 2022. The increase was mainly due to capital contribution to HThree City Australian Commercial Fund 3 LP, for the acquisition of a commercial property in Melbourne. The investment in HThree City Australian Commercial Fund 3 LP was intended to generate attractive risk-adjusted returns by investing in well-located commercial assets in Australia.

4 Trade and other receivables increased by $0.9M to $11.8M as at 31 July 2022 from $10.9M as at 31 January 2022. The balance was mainly pertaining to billings for the construction progress at Dalvey Haus and outstanding receivables from the sale of units for Uptown @ Farrer.

5 Cash and cash equivalents and fixed deposits decreased by $71.7M to $55.7M as at 31 July 2022 from $127.4M as at 31 January 2022. The Group repaid bank borrowings of $97.2M, paid dividend of $14.8M and contributed capital of $22.2M to invest in financial assets at FVPL, with cash proceeds from the loan repayment by PRE13 of $43.8M, cash flows generated from operations of $12.0M and cash on hand.

6 Amount owing by non-controlling interests of $1.6M as at 31 January 2022 was offset against final distributions declared by subsidiaries, Newfort Alliance (Kismis) Pte. Ltd. and Paya Lebar Development Pte. Ltd. which are under voluntary liquidation.

7 Contract assets increased by $4.6M to $29.4M as at 31 July 2022 from $24.8M as at 31 January 2022, due to increase in unbilled works at Uptown @ Farrer, Dalvey Haus and Klimt Cairnhill.

8 Development properties decreased by $9.2M to $537.3M as at 31 July 2022 from $546.5M as at 31 January 2022. The decrease was mainly due to development cost reclassified to cost of sales at Uptown @ Farrer and Klimt Cairnhill for sales recognised during the period. The decrease was partially offset by the higher inventory at Klimt Cairnhill project, as construction completion progressed to 21% as at 31 July 2022 from 16% as at 31 January 2022. In 1HFY2023, Uptown @ Farrer sold all of its 4 remaining units, while Klimt Cairnhill sold 4 units.

9 Non-controlling interests decreased by $1.6M to $10.9M as at 31 July 2022 from $12.5M as at 31 January 2022, mainly due to the subsidiaries under voluntary liquidation, Newfort Alliance (Kismis) Pte. Ltd. and Paya Lebar Development Pte. Ltd.

10 Borrowings decreased by $87.4M to $630.8M as at 31 July 2022 from $718.2M as at 31 January 2022, mainly due to repayment of term loans, offset by a drawdown of revolving credit facilities to finance daily operations. Despite the lower net borrowings, net gearing ratio increased to 0.91 as at 31 July 2022 compared to 0.88 as at 31 January 2022, due to the lower equity position.

11 Trade and other payables decreased by $4.4M to $28.6M as at 31 July 2022 from $33.0M as at 31 January 2022, due mainly to payments made for construction activities at Uptown @Farrer, partially offset by an increase in accrued project costs at Dalvey Haus.

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

	Share capital	Reserves	Retained profits	Total
	$'000	$'000	$'000	$'000
The Company				
Balance at 1 February 2022	161,863	516	509,313	671,692
Total comprehensive income and 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
Balance at 1 February 2021	161,863	214	514,175	676,252
Total comprehensive income and loss for the period	-	(59)	12,024	11,965
Transaction with owners: -				
Dividends paid in respect of financial year ended 31 January 2021	-	-	(18,470)	(18,470)
Balance at 31 July 2021	161,863	155	507,729	669,747

	Share capital	Reserves	Retained profits	Exchange fluctuation account	Sub-total	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group							
Balance at 1 February 2022	161,863	(28,354)	540,127	(2,563)	671,073	12,536	683,609
Total comprehensive income and 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	-	-	(14,776)	-	(14,776)	-	(14,776)
Transactions 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
Balance at 1 February 2021	161,863	(3,518)	537,779	(585)	695,539	32,172	727,711
Total comprehensive income and loss for the period	-	1,633	25,068	(745)	25,956	(57)	25,899
Transaction with owners: -							
Dividends paid	-	-	(18,470)	-	(18,470)	-	(18,470)
Transaction with non-controlling interests	-	(28,209)	-	-	(28,209)	(18,230)	(46,439)
Balance at 31 July 2021	161,863	(30,094)	544,377	(1,330)	674,816	13,885	688,701

1(d)(i) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Six-month period ended	
	31/07/2022	**31/07/2021**
	$'000	**$'000**
Cash Flows from Operating Activities		
(Loss)/profit before taxation	(22,662)	26,214
Adjustments for:		
Share of results of associated companies and joint ventures	599	281
Depreciation of investment properties	2,014	2,136
Depreciation of property, plant and equipment	4,183	2,753
Loss on disposal of property, plant and equipment	155	-
Gain on disposal of investment property	-	(8,630)
Gain on disposal of joint ventures	-	(19,685)
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 no longer required for receivables	(368)	(257)
Long outstanding payables written off	(253)	-
Amortisation of contract costs	221	2,908
Fair value gain on financial assets at FVPL	(214)	-
Dividend income from quoted equity investments	(112)	(209)
Finance costs	5,732	3,342
Interest income	(408)	(2,545)
Operating profit before working capital changes	7,426	6,308
Decrease in inventories	14	116
Decrease in development properties	11,382	45,784
Increase in contract assets & contract costs	(5,325)	(27,205)
Increase in operating receivables	(232)	(2,293)
Decrease in operating payables	(4,325)	(3,067)
Decrease in contract liabilities	(1,554)	-
Cash generated from operations	7,386	19,643
Income tax paid	(1,464)	(1,248)
Net cash generated from operating activities	5,922	18,395
Balance carried forward	5,922	18,395

1(d)(i) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

		Six-month period ended	
		31/07/2022	**31/07/2021**
		$'000	$'000
Balance brought forward		5,922	18,395
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		(593)	(2,772)
Interest received		90	116
Dividend received from quoted equity investments		112	209
Advances and loans made to associated companies and joint ventures		(484)	(858)
Proceeds from disposal of financial asset @FVOCI		8,153	-
Investment in financial asset at FVPL		(22,246)	(1,781)
Proceeds from disposal of joint ventures	Note A	1,389	18,626
Repayment of loans owing from joint ventures and associate companies	Note A	43,761	80,548
Proceeds from disposal of investment properties		-	22,776
Net cash generated from investing activities		30,182	116,864
Cash Flows from Financing Activities			
Dividends paid to shareholders of the Company		(14,776)	(18,470)
Final distributions paid to non-controlling interests, net of set-off		(50)	-
Repayment of loans from non-controlling shareholders of subsidiary	Note A	-	(47,566)
Bank borrowings:			
- Proceeds		10,000	10,000
- Principal paid		(97,205)	(8,300)
- Interest paid		(5,329)	(2,487)
Acquisition of non-controlling interests	Note A	-	(44,625)
Payment of lease liability			
- Principal paid		(148)	(144)
- Interest paid		(27)	(33)
Net cash used in financing activities		(107,535)	(111,625)
Net (decrease)/increase in cash and cash equivalents		(71,431)	23,634
Cash and cash equivalents at beginning of year		119,929	76,427
Exchange differences on translation of cash and cash equivalents		(234)	(32)
Cash and cash equivalents at end of year		48,264	100,029

1(d)(i) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

Note A

For six-month period ended 31 July 2022

Please refer to Note 16 of the interim financial statements for details related to the disposal of investments in associates, PRE 13 Pte. Ltd. ("PRE13") and Perennial Shenton Investors Pte. Ltd. ("PSI").

For six-month period ended 31 July 2021

On 30 June 2021, the Company acquired the non-controlling interests of an existing subsidiary, Paya Lebar Square Pte. Ltd., from Sun Venture Realty Pte. Ltd. and disposed its investments in joint ventures, Westgate Tower Pte. Ltd. and Westgate Commercial Pte. Ltd., to Sun Venture Homes Pte. Ltd. The below-mentioned considerations were used to repay the shareholders' loans owing by the Group's existing subsidiary and former joint ventures. The details of these transactions are as follows:

	$'000
Non-interest bearing loans owing by former joint ventures to the Group	80,548
Considerations receivable from disposal of investment in joint ventures	18,626
Amount receivable by the Group	99,174
Non-interest bearing loans owing to non-controlling shareholders of subsidiary	(47,566)
Considerations payable for the acquisition of non-controlling interests	(44,625)
Amount payable by the Group	(92,191)
Amount receivable by the Group, after set-off	6,983
Amount received as at 31 July 2021	(6,679)
Net balance receivable as at 31 July 2021	304

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

The Group had unused bank facilities of $122.7M as at 31 July 2022.

The Group generated net cash from its operating activities of $5.9M in 1HFY2023, mainly contributed by recurring cashflows from its retail and hospitality portfolio, as well as from the sales of residential development properties.

The Group generated net cash from its investing activities of $30.2M in 1HFY2023, mainly contributed by proceeds from the repayment of a loan from an associated company, as part of its divestment. The cash generated was partially offset by outflows for an investment into an overseas fund and capex.

Net cash used in financing activities for 1HFY2023 was $107.5M, mainly due to dividends paid to shareholders, net repayment of bank borrowings, as well as interest payments.

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-month period ended 31 July 2022 comprise the Company and its subsidiaries (collectively, the Group). The principal activities of the Group are those of property development, hotels and investment holding.

2 Basis of preparation

The condensed interim financial statements for six-month period ended 31 July 2022 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 2022.

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 2022.

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) Development
Activities in this segment comprise the development of properties.

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

(iii) Investments
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 Reportable segments

4.1(a) Business Segments

The Group	**Development** **$'000**	**Hotels** **$'000**	**Investments** **$'000**	**Consolidated** **$'000**
6 months ended 31 July 2022				
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)**	**(18,942)**	**(16,739)**
Interest income	**10**	**1**	**397**	**408**
Finance costs	**(2,470)**	**(1,346)**	**(1,916)**	**(5,732)**
	(4)	**(1,598)**	**(20,461)**	**(22,063)**
Share of results of joint ventures and associate companies	**(368)**	**-**	**(231)**	**(599)**
Segment loss before taxation	**(372)**	**(1,598)**	**(20,692)**	**(22,662)**
Taxation				**(1,233)**
Profit attributable to non-controlling interests				**(224)**
Loss after taxation				**(24,119)**
Segment assets as at 31 July 2022	**646,287**	**148,146**	**518,975**	**1,313,408**
Segment liabilities as at 31 July 2022	**341,022**	**9,443**	**319,643**	**670,108**

4. Segment and revenue information (Cont'd)

4.1 Reportable segments (Cont'd)

4.1(a) Business Segments (Cont'd)

The Group	Development $'000	Hotels $'000	Investments $'000	Consolidated $'000
6 months ended 31 July 2021				
Revenue				
Total segment revenue	**67,203**	**10,627**	**21,520**	**99,350**
Inter-segment revenue	**-**	**(766)**	**(9,643)**	**(10,409)**
External sales	**67,203**	**9,861**	**11,877**	**88,941**
Results				
Segment results	**755**	**(2,068)**	**28,605**	**27,292**
Interest income	**30**	**2**	**2,513**	**2,545**
Finance costs	**(462)**	**(665)**	**(2,215)**	**(3,342)**
Segment profit/(loss) before taxation	**323**	**(2,731)**	**28,903**	**26,495**
Share of results of joint ventures and associate companies	**(228)**	**-**	**(53)**	**(281)**
	95	**(2,731)**	**28,850**	**26,214**
Taxation				**(1,202)**
Loss attributable to non-controlling interests				**56**
Net profit				**25,068**
Segment assets as at 31 July 2021	**734,369**	**146,029**	**582,385**	**1,462,783**
Segment liabilities as at 31 July 2021	**434,751**	**6,057**	**333,274**	**774,082**

4.1(b) Geographical Segments

	Revenue 6 months ended		Non-current assets	
The Group	**31 July 2022 $'000**	31 July 2021 $'000	**31 July 2022 $'000**	31 July 2021 $'000
Singapore	**42,041**	82,680	**591,857**	642,132
Australia	**7,730**	6,261	**69,196**	31,266
Malaysia	**-**	-	**26,023**	26,534
	49,771	88,941	**687,076**	699,932

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 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 the sale of development properties, the operation of a hotel, serviced apartments and a restaurant, the income from construction contracts and 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:

The Group	**6 months ended 31 July 2022** At a point in time $'000	**Over time $'000**	**Total $'000**	6 months ended 31 July 2021 At a point in time $'000	Over time $'000	Total $'000
Revenue from contracts with customers:						
Sales of development properties	**-**	**19,504**	**19,504**	-	67,203	67,203
Hotel operations	**4,071**	**12,431**	**16,502**	3,298	6,564	9,862
Rental income	**-**	**8,483**	**8,483**	-	8,681	8,681
Construction of buildings	**-**	**5,282**	**5,282**	-	3,195	3,195
Total revenue of the Group	**4,071**	**45,700**	**49,771**	3,298	85,643	88,941

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 2022 and 31 January 2022:

	The Group **31 July 2022 $'000**	The Group 31 January 2022 $'000	The Company **31 July 2022 $'000**	The Company 31 January 2022 $'000
Financial Assets				
Financial assets at fair value through other comprehensive income (FVOCI)	**5,573**	13,458	**-**	1,267
Financial assets at fair value through profit or loss (FVPL)	**38,007**	15,708	**-**	-
Cash and bank balances	**48,264**	119,929	**10,460**	25,607
Fixed deposits	**7,473**	7,473	**-**	-
Amount owing by subsidiaries	**-**	-	**3,003**	94,678
Amount owing by non-controlling shareholders of Subsidiaries	**-**	1,618	**-**	-
Amount owing by associate companies	**-**	38,673	**-**	-
Trade and other receivables[1]	**11,439**	10,031	**3,602**	5,777
Financial assets at amortised cost	**67,176**	177,724	**17,065**	126,062
Financial Liabilities				
Amount owing to subsidiaries	**-**	-	**54,674**	12,944
Amount owing to joint ventures	**-**	253	**-**	-
Amount owing to non-controlling shareholders of subsidiaries	**1,320**	1,350	**-**	-
Provision for directors' fee	**108**	215	**108**	215
Borrowings	**630,793**	718,176	**14,216**	29,825
Trade and other payables[2]	**27,734**	32,177	**14,604**	13,575
Financial liabilities at amortised cost	**659,954**	752,171	**83,602**	56,559

[1] This excludes GST receivable, prepayment and government grants receivable.
[2] This excludes GST payable, advanced payments received from customers and deferred income.

6. Profit before taxation

6.1 Significant items

The Group	**6 months ended 31 July 2022 $'000**	6 months ended 31 July 2021 $'000
Income		
Management fee	**641**	586
Government grant income	**63**	320
Dividend income	**112**	209
Interest income	**408**	2,545
Gain on early repayment of shareholder loan (Note 16)	**4,783**	-
Gain on disposal of joint ventures	**-**	19,685
Gain on disposal of investment properties	**-**	8,630
Bad debts recovered/(written off)	**263**	(257)
Expenses		
Loss on disposal of associates (Note 16)	**(23,303)**	-
Interest on borrowings and lease liabilities	**(5,732)**	(3,342)
Depreciation of investment properties	**(2,014)**	(2,136)
Depreciation of property, plant and equipment	**(4,183)**	(2,753)
Amortisation of contract costs	**(831)**	(2,908)

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	**6 months ended 31 July 2022 $'000**	6 months ended 31 July 2021 $'000
Security services charged by other related party[1]	**106**	110
Repayment of shareholder loans to non-controlling shareholders of subsidiary	**-**	47,566
Shareholders' loans to a joint venture	**46**	48
Repayment of shareholder loans by joint ventures	**-**	80,548
Service rendered to an associate company	**5,975**	3,195
Advances to associate companies	**438**	810
Management fee charged to joint ventures	**641**	586

[1] Other related party refers to a company, which is controlled by the Group's key management personnel and his close family members.

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	**6 months ended 31 July 2022 $'000**	6 months ended 31 July 2021 $'000
Current income tax expense	**1,951**	1,008
Deferred taxation	**(729)**	160
Under provision of current taxation in respect of prior years	**11**	34
	1,233	1,202

8. Dividends

The Company	**6 months ended 31 July 2022 $'000**	6 months ended 31 July 2021 $'000
Dividends paid		
- Ordinary dividends:		
First and final dividend of 2.0 (2021 – 2.5) cents per share, tax exempt paid in respect of the previous financial year	**14,776**	18,470
	14,776	18,470

There are no dividends proposed for the six-month period ended 31 July 2022 and 31 July 2021.

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

	The Group		The Company	
	31 July 2022 $'000	31 January 2022 $'000	**31 July 2022 $'000**	31 January 2022 $'000
Net asset value per ordinary share	**86 cents**	91 cents	**88 cents**	91 cents
Net tangible assets per ordinary share	**86 cents**	91 cents	**88 cents**	91 cents

10. Financial assets at fair value

Financial assets at fair value comprise the following:

	The Group		The Company	
	31 July 2022 $'000	31 January 2022 $'000	**31 July 2022 $'000**	31 January 2022 $'000
Financial assets at FVOCI				
- Listed in Singapore	**5,573**	11,270	**-**	-
- Listed in Malaysia	**-**	2,188	**-**	1,267
	5,573	13,458	**-**	1,267
Financial assets at FVPL				
- Investment in limited partnership	**38,007**	15,708	**-**	-
Total equity securities	**43,580**	29,166	**-**	1,267

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

During the six-month period ended 31 July 2022, the Group disposed off certain of its financial assets at fair value for cash and realised the capital appreciation. These investments had a fair value $8,153,000 at the date of disposal. The cumulative net gain on disposal of $265,000 was reclassified from fair value reserve to retained profits.

There was no disposal of financial assets at fair value in the six-month period ended 31 July 2021.

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).

The following table shows the Levels within the hierarchy of financial assets at fair value on a recurring basis at 31 July 2022 and 31 January 2022:

	Level 1 $'000	Level 2 $'000	Level 3 $'000
The Group			
31 July 2022			
Financial assets at FVPL – Unquoted equity investments	**-**	-	**38,007**
Financial assets at FVOCI – Quoted equity investments	**5,573**	**-**	**-**
31 January 2022			
Financial assets at FVPL – Unquoted equity investments	-	-	15,708
Financial assets at FVOCI – Quoted equity investments	13,458	-	-
The Company			
31 July 2022			
Financial assets at FVOCI – Quoted equity investments	**-**	**-**	**-**
31 January 2022			
Financial assets at FVOCI – Quoted equity investments	1,267	-	-

11. Property, plant and equipment

	The Group		The Company	
	31 July 2022 $'000	31 January 2022 $'000	**31 July 2022 $'000**	31 January 2022 $'000
Cost				
Balance at beginning of year	**363,057**	356,855	**8,652**	8,556
Additions	**593**	10,705	**-**	771
Written off/disposal	**(255)**	(1,009)	**(255)**	(675)
Adjustment to completion costs accrued	**(2,205)**	-	**-**	-
Transfer from investment properties	**-**	1,000	**-**	-
Exchange translation difference	**1,010**	(4,494)	**-**	-
Balance at end of year	**362,200**	363,057	**8,397**	8,652
Accumulated depreciation				
Balance at beginning of year	**51,055**	48,171	**3,864**	3,790
Depreciation for the period/year	**4,183**	5,407	**224**	436
Written off/disposal	**(100)**	(364)	**(100)**	(362)
Transfer from investment properties	**-**	408	**-**	-
Exchange translation difference	**574**	(2,567)	**-**	-
Balance at end of year	**55,712**	51,055	**3,988**	3,864
Accumulated impairment				
Balance at beginning of year	**3,928**	7,271	**-**	-
Addition	**19**	48	**-**	-
Impairment no longer required	**-**	(3,391)	**-**	-
Balance at end of year	**3,947**	3,928	**-**	-
Net book value	**302,541**	308,074	**4,409**	4,788

During the six-month period ended 31 July 2022, the Group acquired assets amounting to $593,000 (31 July 2021: $2,772,000) and disposed or write off assets amounting to $155,000 (31 July 2021: $Nil).

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		The Company	
	31 July 2022 $'000	31 January 2022 $'000	**31 July 2022 $'000**	31 January 2022 $'000
Cost				
Balance at beginning of year	**318,885**	335,046	-	19,061
Additions	-	30	-	-
Written off/Disposal	-	(15,191)	-	(19,061)
Transfer to property, plant and equipment	-	(1,000)	-	-
Balance at end of year	**318,885**	318,885	-	-
Accumulated depreciation				
Balance at beginning of year	**23,267**	20,571	-	1,244
Depreciation for the period/year	**2,014**	4,149	-	66
Written off/Disposal	-	(1,045)	-	(1,310)
Transfer to property, plant and equipment	-	(408)	-	-
Balance at end of year	**25,281**	23,267	-	-
Accumulated impairment				
Balance at beginning of year	**1,902**	-	-	-
Addition	-	1,902	-	-
Balance at end of year	**1,902**	1,902	-	-
Net book value	**291,702**	293,716	-	-

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 2022, 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, using the current market trend, with reference to indicative market prices for similar properties in the area.

As at 31 July 2022, 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 31 January 2022 valuation.

	As at 31 July 2022			As at 31 January 2022		
The Group	**Carrying amount $'000**	**Fair value $'000**	**Fair value hierarchy**	Carrying amount $'000	Fair value $'000	Fair value hierarchy
Investment properties:						
Retail units	**248,097**	**373,200**	**Level 3**	**249,508**	**373,200**	Level 3
Commercial units	**43,605**	**45,200**	**Level 3**	**44,208**	**45,200**	Level 3
Property, plant and equipment:						
Hotel	**18,379**	**85,640**	**Level 3**	**18,222**	**85,640**	Level 3
Serviced apartment	**253,429**	**390,400**	**Level 3**	**263,840**	**390,400**	Level 3
Office units	**6,804**	**23,104**	**Level 3**	**6,863**	**22,705**	Level 3
The Company						
Property, plant and equipment:						
Office units	**2,458**	**11,231**	**Level 3**	**2,480**	**11,002**	Level 3

14 Borrowings

The Group	31 July 2022 $'000	31 January 2022 $'000
Revolving credit loan – unsecured	**10,000**	25,000
Money market loan – secured	**29,610**	29,610
Temporary bridging loan – unsecured	**4,194**	4,800
Term loans – secured	**585,386**	656,986
	629,190	716,396
Lease liabilities	**1,603**	1,780
	630,793	718,176
Amount repayable:		
Not later than one year	**170,401**	63,431
Later than one year and not later than five years	**460,392**	654,745
	630,793	718,176

The Company	31 July 2022 $'000	31 January 2022 $'000
Revolving credit loan – unsecured	**10,000**	25,000
Temporary bridging loan – unsecured	**4,194**	4,800
	14,194	29,800
Lease liabilities	**22**	25
	14,216	29,825
Amount repayable:		
Not later than one year	**11,235**	26,223
Later than one year and not later than five years	**2,981**	3,602
	14,216	29,825

The Group's money market loan totalling $29,610,000 (31 January 2022 - $29,610,000) is secured by mortgages over the investment property and property, plant and equipment located at 207 Balestier Road, Singapore and charges on all new assignments of tenancy, sales agreements or contracts with the operator of the serviced apartment. The effective interest rate per annum for the money market loan for the 6 months ended 31 July 2022 was 1.52% (31 July 2021 – 1.01%).

Term loans of the Group totalling $585,386,000 (31 January 2022 - $656,986,000) are secured by mortgages over the development properties, certain investment properties and property, plant and equipment of certain subsidiaries and charges on all new assignments of tenancy, sales agreements and construction contracts and a fixed deposit of $3,600,000 (31 January 2021 - $3,600,000) of a subsidiary. The effective interest rate per annum for the term loans for the 6 months ended 31 July 2022 range from 1.69% to 2.17% (31 July 2021 – from 1.21% to 1.65%).

15 Share capital

The Group and The Company	31 July 2022	31 January 2022	31 July 2022	31 January 2022
	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 2022 and 31 January 2022.

There were no outstanding executives' share options granted as at 31 July 2022 and 31 January 2022.

16 Disposal of investments in associates

Huatland Development Pte. Ltd., a wholly owned-subsidiary of the Company, held a 20% equity interest in each of Perennial Shenton Investors Pte. Ltd. ("PSI") and PRE 13 Pte. Ltd. ("PRE13").

PSI was a strategic partner in the properties leasing business for office units, up until the sale of its 100% subsidiary, Perennial Shenton Holding Pte. Ltd. ("PSH"), on 30 June 2020. Subsequently, PSI became dormant and its role as the Group's strategic partner in the property leasing business was undertaken by PRE13. PRE13 holds a 50% stake in PSH, who in turn owns a 100% equity stake in Perennial Shenton Properties Pte. Ltd. ("PSP"). PSP is the owner of AXA Tower, a 50-storey landmark Grade A office development with a retail podium, strategically sited within Singapore's Central Business District.

The Group disposed its entire equity interests in PRE13 and PSI in April 2022 and May 2022, respectively. These transactions have 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

Owing to disposal, this resulted in 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	43,760
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	(2,299)
Carrying amount of shareholder loan at date of repayment	(38,977)
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.

Note:- The above transaction follows the Group's earlier disposal of an effective 10% interest in AXA Tower (via PSI's sale of stake in PSH) in June 2020, which resulted in a $50,176,000 gain on disposal. Such gain was included in the share of profit from associates for the financial year ended 31 January 2021. Therefore, the Group's net gains for its investment in AXA Tower, aggregating the transactions in FY2021 and 1HFY2023, was $31,655,000.

17 Subsequent events

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

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 July 2022 and the related consolidated profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed 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

Development

Development revenue decreased by $47.7M to $19.5M in 1HFY2023 from $67.2M over the same period in the previous year. The decrease in revenue was mainly due to the lower contribution from the Uptown @ Farrer project, partially offset by revenue contribution from Klimt Cairnhill.

Uptown @ Farrer was 96% completed as at 31 July 2021, with TOP obtained on 7 September 2021. 4 out of 116 units remained unsold as at 31 January 2022. These 4 units were subsequently sold in the current period, as compared to 45 units sold in 1HFY2022.

Klimt Cairnhill, another residential project, was launched in August 2021. Klimt Cairnhill 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. Sales commenced in August 2021. In 1HFY2023, 4 units were sold, whereas 3 units were sold in the 2nd half of the last financial year. As at 31 July 2022, Klimt Cairnhill has a total of 7 units sold at a completion stage of 21%.

Net profit before tax and non-controlling interest for the Development segment was a loss of $0.4M in 1HFY2023, as compared to a profit of $0.1M over the same period in the previous year. This was mainly due to lower profits generated from the Uptown @ Farrer project, given most units were sold in the prior year, with only 4 units sold in the current period. This period saw a lower net loss at Klimt Cairnhill, as progressive revenue was recognised for the 7 units sold, with the project launched only in 2nd half of the last financial year. In addition, higher marketing expenses were incurred in 1HFY2022 before the project launched.

Hotel

Revenue from Hotel segment increased by $6.6M to $16.5M in 1HFY2023 from $9.9M in 1HFY2022. Duxton Hotel Perth and Citadines Balestier achieved higher occupancy and Average Room Rates ("ARR") for the current period. In 1HFY2023, average occupancy at Duxton Hotel Perth increased to 47% from 37% period-on-period, whilst average occupancy at Citadines Balestier increased to 90% from 74%, with ARR increasing by approximately 19%, over the same period. Lyf Farrer Park Singapore commenced operations on 1 February 2022 with an average occupancy of 80%.

Net loss before tax and non-controlling interests for Hotel segment decreased by $1.1M to $1.6M in 1HFY2023 from a loss of $2.7M in 1HFY2022, mainly due to narrowing losses at both Citadines Balestier and Duxton Hotel Perth. The lower losses was driven by higher ARR and occupancy rates, which was partially offset by higher management fee, finance costs and labour costs in the segment. Carnivore, the restaurant operated by the Group, made a net profit of $25k, as compared to a net loss of $161k in the previous year.

Investment

Investment revenue increased by $1.9M to $13.8M in 1HFY2023 from $11.9M over the same period in the previous year. The increase was mainly due to increased construction revenue from the Dalvey Haus project. The construction of Dalvey Haus project was 52% completed as at 31 July 2022. Revenue contribution from Paya Lebar Square remained stable year-on-year.

Net profit before tax and non-controlling interests for Investment segment was a loss of $20.7M in 1HFY2023, as compared to a profit of $28.9M over the same period in the previous year. During this period, an aggregate net loss in relation to the disposal of PRE13 and PSI, amounting to $18.5M, was recognised. In 1HFY2022, the Group recognised extraordinary gains of $28.3M, pertaining to gains on disposal of Westgate group of companies and office units at Paya Lebar Square, amounting to $19.7M and $8.6M, respectively.

Net loss attributable to shareholders
Net loss attributable to shareholders in 1HFY2023 was $24.1M as compared to a profit of $25.1M in 1HFY2022. The net loss for 1HFY2023, was driven mainly by slower property sales for the Development segment and one-off losses incurred for the disposal of associates for the Investment segment.

Balance Sheet
Cash and cash equivalents and fixed deposits decreased by $71.7M to $55.7M as at 31 July 2022 from $127.4M as at 31 January 2022, mainly due to a net repayment of bank borrowings, dividend paid and investments. During the period, significant cash inflows other than from its operations, include a loan repayment from PRE13, amounting to $43.8M.

Bank borrowings decreased by $87.3M to $629.1M as at 31 July 2022 from $716.4M as at 31 January 2022, mainly from the partial repayment of the term loan relating to the Uptown @ Farrer project. Net gearing ratio was 0.91 as at 31 July 2022 compared to 0.88 as at 31 January 2022.

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

The global economy for the next 12 months is expected to be met with weaker consumer spending, rising interest rates, slower growth, as well as inflationary pressures caused partly by the Russian-Ukraine conflict. The Ministry of Trade and Industry announced that the Singapore economy grew by 4.4% year-on-year in the second quarter of 2022. The Ministry also narrowed the country's GDP growth forecast to 3.0-4.0% from 3.0-5.0% in 2022, considering the downside risks.

Faced with a challenging outlook, the Group will focus on the successful completion and sales of existing residential development projects. However, the easing of cross-border travel restrictions and resumption of global travel should result in improved room rates and occupancies for its hospitality assets. Suburban retail mall rents and occupancies are expected to be stable, supported by a recovery in consumption, a return of office workers that lead to larger lunch crowds and its focus on non-discretionary shopping.

Management is focused on maintaining a healthy balance sheet, and will be disciplined in capital management, as it navigates through a higher interest rate environment. In addition, the Group will be selective and strategic in new business acquisitions and investments, with the aim to deliver 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-month period ended 31 July 2022 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.

Not applicable.

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. Additional Information Required Pursuant to Rule 706A

During the six-month period ended 31 July 2022, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary.

During the six-month period ended 31 July 2022, the Group disposed 20% of the issued and paid-up share capital of each PRE 13 Pte. Ltd. and Perennial Shenton Investors Pte. Ltd. Details are disclosed in Note 16 to the condensed interim financial statements.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company, which may render the unaudited condensed interim financial statements for the six-month period ended 31 July 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

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

14 September 2022