



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No. 199905292D)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (“1H FY2022”)

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HONG LAI HUAT GROUP LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 30 June 2022

	Note	Group		Change %
		6 months ended 30 June		
		FY 2022 (Unaudited) S\$'000	FY 2021 (Unaudited) S\$'000	
Revenue	3	1,010	12,298	-92%
Cost of sales		(374)	(6,946)	-95%
Gross profit		636	5,352	-88%
Other income		688	566	22%
Distribution and selling expenses		(60)	(142)	-58%
Administrative expenses		(4,506)	(4,222)	7%
Other expenses		(401)	(3,357)	-88%
Share of profit of joint venture		383	82	367%
Finance costs		(66)	(155)	-57%
Loss before income tax	4	(3,326)	(1,876)	77%
Income tax expense	5	(33)	(37)	-11%
Loss for the period		(3,359)	(1,913)	76%
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Currency translation differences arising on consolidation		4,113	2,019	
Share of other comprehensive income of joint venture		461	112	
Other comprehensive income for the period, net of tax		4,574	2,131	
Total comprehensive income for the period		1,215	218	
Loss attributable to:				
Equity holders of the company		(3,359)	(1,913)	
Non-controlling interests		-	-	
		(3,359)	(1,913)	
Total comprehensive income attributable to:				
Equity holders of the company		1,215	218	
Non-controlling interests		-	-	
		1,215	218	

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Note	Group		Company	
		30-06-22	31-12-21	30-06-22	31-12-21
		(Unaudited) S\$'000	(Audited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000
<u>Current assets</u>					
Cash and bank balances		21,310	26,072	1,291	1,804
Trade receivables		406	4,096	-	-
Other receivables and deposits		1,147	1,209	9	6
Prepayments		800	759	61	92
Amounts due from subsidiaries		-	-	59,022	58,524
Financial assets at fair value through profit or loss		-	100	-	-
Inventories		394	96	-	-
Biological assets	6	4,976	5,070	-	-
Completed development properties held for sale	7	18,469	17,775	-	-
Development properties	7	31,363	30,437	-	-
Total current assets		<u>78,865</u>	<u>85,614</u>	<u>60,383</u>	<u>60,426</u>
<u>Non-current assets</u>					
Other receivables and deposits		42	40	-	-
Property, plant and equipment	8	10,841	10,695	505	151
Right-of-use assets	9	65,430	64,516	-	59
Investment in joint venture		17,153	12,221	-	-
Investment in associates		5	2	-	-
Investment in subsidiaries		-	-	100,129	100,129
Financial assets at fair value through profit or loss		243	243	243	243
Total non-current assets		<u>93,714</u>	<u>87,717</u>	<u>100,877</u>	<u>100,582</u>
Total assets		<u>172,579</u>	<u>173,331</u>	<u>161,260</u>	<u>161,008</u>
<u>Liabilities and equity</u>					
<u>Current liabilities</u>					
Trade payables		945	964	-	-
Other payables and accruals		7,178	7,319	193	351
Amounts due to subsidiaries		-	-	12,550	10,236
Income tax payable		-	20	-	-
Bank loans	10	1,749	1,846	1,749	1,846
Lease liabilities	10	45	135	-	25
Total current liabilities		<u>9,917</u>	<u>10,284</u>	<u>14,492</u>	<u>12,458</u>
<u>Non-current liabilities</u>					
Bank loans	10	2,349	3,163	2,349	3,163
Lease liabilities	10	880	897	-	16
Deferred tax liabilities		9,070	8,803	17	17
Total non-current liabilities		<u>12,299</u>	<u>12,863</u>	<u>2,366</u>	<u>3,196</u>
<u>Capital, reserves and non-controlling interests</u>					
Share capital	11	121,023	121,023	121,023	121,023
Retained earnings		29,054	33,449	23,838	24,790
Capital reserve		414	414	(459)	(459)
Foreign currency translation reserve		(128)	(4,702)	-	-
Total equity		<u>150,363</u>	<u>150,184</u>	<u>144,402</u>	<u>145,354</u>
Total liabilities and equity		<u>172,579</u>	<u>173,331</u>	<u>161,260</u>	<u>161,008</u>

The accompanying notes form an integral part of these financial statements

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 30 June 2022

	Note	Attributable to owners of the company					Total equity S\$'000
		Share capital S\$'000	Retained earnings S\$'000	Capital reserve S\$'000	Asset revaluation reserve S\$'000	Currency translation reserve S\$'000	
Group							
At 1 January 2021 (audited)		94,602	27,196	414	2,775	(7,347)	117,640
Total comprehensive income for the period:							
Loss for the period		-	(1,913)	-	-	-	(1,913)
<i>Other comprehensive income:</i>							
Currency translation differences arising on consolidation		-	-	-	-	2,019	2,019
Share of other comprehensive income of joint venture		-	-	-	-	112	112
Total		-	(1,913)	-	-	2,131	218
Transactions with owners, recognised directly in equity:							
Rights issue	11	26,929	-	-	-	-	26,929
Rights issue expenses	11	(508)	-	-	-	-	(508)
Total		26,421	-	-	-	-	26,421
Balance at 30 June 2021 (unaudited)		121,023	25,283	414	2,775	(5,216)	144,279
At 1 January 2022 (audited)		121,023	33,449	414	-	(4,702)	150,184
Total comprehensive income for the period:							
Loss for the period		-	(3,359)	-	-	-	(3,359)
<i>Other comprehensive income:</i>							
Currency translation differences arising on consolidation		-	-	-	-	4,113	4,113
Share of other comprehensive income of joint venture		-	-	-	-	461	461
Total		-	(3,359)	-	-	4,574	1,215
Transactions with owners, recognised directly in equity:							
Dividends		-	(1,036)	-	-	-	(1,036)
Total		-	(1,036)	-	-	-	(1,036)
Balance at 30 June 2022 (unaudited)		121,023	29,054	414	-	(128)	150,363

The accompanying notes form an integral part of these financial statements

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
For the financial period ended 30 June 2022

	Note	Share capital S\$'000	Retained earnings S\$'000	Capital reserves S\$'000	Total equity S\$'000
<u>Company</u>					
At 1 January 2021 (audited)		94,602	24,655	(459)	118,798
Total comprehensive income for the period:					
Profit for the period		-	48	-	48
Transactions with owners, recognised directly in equity:					
Rights issue	11	26,929	-	-	26,929
Rights issue expenses	11	(508)	-	-	(508)
Total		26,421	-	-	26,421
Balance at 30 June 2021 (unaudited)					
		121,023	24,703	(459)	145,267
At 1 January 2022 (audited)		121,023	24,790	(459)	145,354
Total comprehensive income for the period:					
Profit for the period		-	84	-	84
Transactions with owners, recognised directly in equity:					
Dividends		-	(1,036)	-	(1,036)
Total		-	(1,036)	-	(1,036)
Balance at 30 June 2022 (unaudited)					
		121,023	23,838	(459)	144,402

The accompanying notes form an integral part of these financial statements

HONG LAI HUAT GROUP LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 30 June 2022

	Note	Group	
		6 months ended 30 June	
		FY 2022 (Unaudited) S\$'000	FY 2021 (Audited) S\$'000
Operating activities			
Loss before tax		(3,326)	(1,876)
Adjustments for:			
Depreciation of property, plant and equipment	8	646	637
Depreciation of right-of-use assets	9	958	931
Fair value loss on biological assets	6	214	157
Gain on disposal of property, plant and equipment and right-of-use assets		(127)	(6)
Impairment loss on assets classified as held for sale		-	3,200
Fair value loss on financial assets at fair value through profit or loss		100	-
Foreign exchange adjustments		(133)	15
Interest income		(291)	(47)
Interest expense		66	155
Share of profit of joint venture		(383)	(82)
Operating cash flows before movement in working capital		(2,276)	3,084
Trade receivables		3,690	(8,091)
Other receivables and deposits		60	(291)
Prepayments		(41)	131
Inventories		(298)	(88)
Biological assets		29	265
Completed development properties held for sale		(155)	5,619
Development properties		(4)	(4,709)
Trade payables		(19)	1,583
Other payables and accruals		(141)	161
Cash generated from (used in) operations		845	(2,336)
Income tax paid		(53)	(64)
Net cash from (used in) operating activities		792	(2,400)
Investing activities			
Investment in joint venture		(4,088)	-
Investment in associate		(3)	-
Interest received		291	47
Purchase of property, plant and equipment	8	(521)	(913)
Proceeds on disposal of property, plant and equipment		183	5
Net cash used in investing activities		(4,138)	(861)
Financing activities			
Dividend paid to owners of the Company		(1,036)	-
Repayment of controlling shareholder loan		-	(258)
Repayment of bank loans		(911)	(1,998)
Repayment of lease liabilities		(107)	(82)
Proceeds from rights issue, net (Note (a))	11	-	12,777
Share issue expenses	11	-	(508)
Interest paid		(66)	(155)
Net cash (used in) from financing activities		(2,120)	9,776
Net (decrease) increase in cash and cash equivalents		(5,466)	6,515
Effect of exchange rate changes on balances held in foreign currencies		704	184
Cash and cash equivalents at beginning of period		26,072	9,535
Cash and cash equivalents at end of period		21,310	16,234

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
For the financial period ended 30 June 2022

	Group	
	6 months ended 30 June	
	FY 2022	FY 2021
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Cash at bank and on hand	3,932	4,034
Short-term fixed deposits with financial institutions	17,378	12,200
Cash and cash equivalents at end of period	21,310	16,234

Significant non-cash transactions

- (a) During FY2021, the repayment of the loan from controlling shareholder of S\$14,410,000 was partially settled non-cash via offset against proceeds due from controlling shareholder relating to its subscription for rights shares of S\$14,152,000.

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These notes form an integral part of and should be read in conjunction with the accompanying interim financial statements.

1. CORPORATE INFORMATION

Hong Lai Huat Group Limited (the "Company") (Co. Reg. No. 199905292D) is domiciled and incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited. The Company's registered address and principal place of business is at 10 Bukit Batok Crescent #13-05 The Spire Building, Singapore 658079.

The principal activity of the Company is that of investment holding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and financial performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Singapore Dollar ("S\$"), which is the Company's functional currency, and all values in the tables are rounded to the nearest thousand (S\$'000), except when otherwise indicated.

New and revised standards that are adopted

In the current financial period, the Group has adopted all the new and revised SFRS(I)s and Interpretations of SFRS(I)s ("INT SFRS(I)") that are relevant to its operations and effective for the current financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I).

The adoption of these new and revised SFRS(I)s and INT SFRS(I) did not have any material effect on the interim financial results or position of the Group and the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ending 31 December 2022 have not been applied in preparing these interim financial statements. None of these are expected to have a significant effect on the interim financial statements of the Group and the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Use of estimates and judgements

The preparation of condensed interim financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3 in our financial year ended 31 December 2021 Annual Report.

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables, amounts due from/to subsidiaries and current borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

3. REVENUE

The following table provides a disaggregation disclosure of the Group's revenue by primary geographical market and timing of revenue recognition.

(a) Disaggregation of revenue

	Primary geographical markets	Group 6 months ended 30 June	
		FY 2022 (Unaudited) S\$'000	FY 2021 (Audited) S\$'000
Timing of revenue recognition			
<u>Recognised at a point of time</u>			
Sale of crops	Cambodia	449	758
Sale of completed development properties	Cambodia	191	10,733
<u>Recognised over time</u>			
Rental income from lease of completed development properties	Cambodia	370	196
Rental income from lease of resort (discontinued operation)	Singapore	-	611
		1,010	12,298

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3. REVENUE (cont'd)

(b) Segmentation information

(Unaudited) 6 months ended 30 June 2022	Agriculture	Property development and real estate	Others	Elimination	Group
	division S\$'000	division S\$'000	S\$'000	S\$'000	S\$'000
Revenue:					
External sales	449	561	-	-	1,010
Inter-segment sales	25	-	1,755	(1,780)	-
	<u>474</u>	<u>561</u>	<u>1,755</u>	<u>(1,780)</u>	<u>1,010</u>
Results:					
Interest income from bank deposits	48	242	1	-	291
Gain on disposal of property, plant and equipment	32	3	92	-	127
Fair value loss on biological assets	(214)	-	-	-	(214)
Depreciation expense	(1,431)	(110)	(63)	-	(1,604)
Finance costs	(1)	-	(65)	-	(66)
Income tax expense	-	(2)	(31)	-	(33)
Segment (loss) profit	<u>(386)</u>	<u>(2,281)</u>	<u>84</u>	<u>(776)</u>	<u>(3,359)</u>
Assets:					
Additions to non-current assets	114	-	407	-	521
Segment assets	<u>81,644</u>	<u>88,825</u>	<u>2,110</u>	<u>-</u>	<u>172,579</u>
Segment liabilities	<u>(10,177)</u>	<u>(7,731)</u>	<u>(4,308)</u>	<u>-</u>	<u>(22,216)</u>
(Unaudited)					
6 months ended 30 June 2021					
Revenue:					
External sales	1,369	10,929	-	-	12,298
Inter-segment sales	-	-	1,200	(1,200)	-
	<u>1,369</u>	<u>10,929</u>	<u>1,200</u>	<u>(1,200)</u>	<u>12,298</u>
Results:					
Interest income from bank deposits	-	43	4	-	47
Gain on disposal of property, plant and equipment	6	-	-	-	6
Fair value loss on biological assets	(157)	-	-	-	(157)
Impairment loss on assets classified as held for sale	(3,200)	-	-	-	(3,200)
Depreciation expense	(1,448)	(33)	(87)	-	(1,568)
Finance costs	(52)	-	(103)	-	(155)
Income tax expense	(1)	-	(36)	-	(37)
Segment (loss) profit	<u>(1,642)</u>	<u>2,550</u>	<u>48</u>	<u>(2,869)</u>	<u>(1,913)</u>
Assets:					
Additions to non-current assets	911	-	2	-	913
Segment assets	<u>87,354</u>	<u>82,697</u>	<u>4,677</u>	<u>-</u>	<u>174,728</u>
Segment liabilities	<u>(13,274)</u>	<u>(10,891)</u>	<u>(6,254)</u>	<u>-</u>	<u>(30,419)</u>

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3. REVENUE (cont'd)

(c) Geographical information

	Revenue		Non-Current Assets	
	6 months ended 30 June			
	FY 2022 (Unaudited) S\$'000	FY 2021 (Audited) S\$'000	30.06.2022 (Unaudited) S\$'000	31.12.2021 (Audited) S\$'000
Singapore	-	611	1,755	1,553
Cambodia	1,010	11,687	91,674	85,881
Total	1,010	12,298	93,429	87,434

4. Loss before income tax

Loss before income tax is arrived at after charging (crediting) the following:

	Group	
	6 months ended 30 June	
	FY 2022 (Unaudited) S\$'000	FY 2021 (Audited) S\$'000
Depreciation of property, plant and equipment	646	637
Depreciation of right-of-use assets	958	931
Gain on disposal of property, plant and equipment and right-of-use assets	(127)	(6)
Grant income from Job Support Scheme	(16)	(100)
Interest income from bank deposits	(291)	(47)
Impairment loss on assets classified as held for sale	-	3,200
Fair value loss on biological assets	214	157
Fair value loss on financial assets at fair value through profit or loss	100	-
Rental income	(185)	(58)
Net foreign exchange loss (gain)	68	(20)

5. Income tax expense

	Group	
	6 months ended 30 June	
	FY 2022 (Unaudited) S\$'000	FY 2021 (Audited) S\$'000
Income tax expense:		
- Current income tax	33	37

6. Biological assets

	Group	
	30.06.2022 (Unaudited) S\$'000	31.12.2021 (Audited) S\$'000
At 1 January	5,070	5,515
Additions to cassava during the year	186	538
Loss on fair value of biological assets	(214)	(255)
Decrease due to harvest	(215)	(844)
Currency translation differences	149	116
	4,976	5,070

Biological assets are measured at fair value less estimated point-of-sale costs. The fair value was determined based on the actual selling prices in the local market approximating those at period end and less estimated point-of-sale costs. Point-of-sale costs include all costs that would be necessary to sell the assets.

7. Development properties

	Group	
	30.06.2022 (Unaudited) S\$'000	31.12.2021 (Audited) S\$'000
Development properties		
- Freehold land	31,213	30,295
- Development costs	150	142
	31,363	30,437
Completed development properties held for sale	18,469	17,775
	49,832	48,212

Completed development properties held for sale are properties being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use or capital appreciation. Completed development properties held for sale are held as inventories and are measured at the lower of cost and net realisable value.

The costs of properties held for sale include:

- Freehold rights for land;
- Amounts paid to contractors for construction; and
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value of completed development properties held for sale is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period, less the estimated costs necessary to make the sale.

The fair values of the Group's freehold land and completed development properties held for sale at 30 June 2022 and 31 December 2021 have been determined on the basis of valuations carried out by independent professional valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

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8. Property, plant and equipment

	S\$'000
Group	
Cost	
At 1 January 2022 (audited)	25,737
Additions	521
Disposals	(642)
Currency translation differences	732
At 30 June 2022 (unaudited)	<u>26,348</u>
Accumulated depreciation	
At 1 January 2022 (audited)	15,042
Depreciation	646
Disposals	(634)
Currency translation differences	453
At 30 June 2022 (unaudited)	<u>15,507</u>
Net carrying value	
At 31 December 2021 (audited)	<u>10,695</u>
At 30 June 2022 (unaudited)	<u>10,841</u>

9. Right-of-use assets

	S\$'000
Group	
Cost	
At 1 January 2022 (audited)	72,896
Additions	-
Disposals	(222)
Currency translation differences	2,186
At 30 June 2022 (unaudited)	<u>74,860</u>
Accumulated depreciation	
At 1 January 2022 (audited)	8,380
Depreciation	958
Disposals	(174)
Currency translation differences	266
At 30 June 2022 (unaudited)	<u>9,430</u>
Net carrying value	
At 31 December 2021 (audited)	<u>64,516</u>
At 30 June 2022 (unaudited)	<u>65,430</u>

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10. Loans and borrowings

	Group	
	30.06.2022 (Unaudited) S\$'000	31.12.2021 (Audited) S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	1,794	1,981
 <u>Amount repayable after one year</u>		
Secured	3,229	4,060

As at 30 June 2022, secured borrowings were secured by corporate guarantees provided by the Company and certain of the Company's subsidiaries.

11. Share capital

	Group and Company			
	30.06.2022 (Unaudited)		31.12.2021 (Audited)	
	Number of issued shares	Issued share capital S\$'000	Number of issued shares	Issued share capital S\$'000
At 1 January	517,844,114	121,023	221,933,192	94,602
Rights issue	-	-	295,910,922	26,929
Rights issue expenses	-	-	-	(508)
	517,844,114	121,023	517,844,114	121,023

(i) Issued and Paid-Up Capital

As at 30 June 2022, the Company's issued and paid-up capital, excluding treasury shares, comprises 517,844,114 (31 December 2021: 517,844,114) ordinary shares.

(ii) Treasury Shares

The Company does not hold any treasury shares as at 30 June 2022 and 31 December 2021.

(iii) Subsidiary Holdings

None of the Company's subsidiaries held any shares in the Company as at 30 June 2022 and 31 December 2021.

12. Subsequent events

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

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. **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.

2. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, (a) Updates on the efforts taken to resolve each outstanding audit issue. (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

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.**

Except as disclosed in Note 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 31 December 2021.

5. **If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the new/revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are effective for annual periods beginning on or after 1 January 2022. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

The adoption of the new SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the interim financial statements of the Group for the current financial reporting period.

6. Earnings per ordinary 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	
	6 months ended 30 June	
	FY 2022 Singapore Cents	FY 2021 Singapore Cents
Earnings per ordinary share attributable to owners of the parent for:		
- Basic	(0.65)	(0.37)
- Diluted	(0.65)	(0.37)

The basic and diluted earnings per ordinary share were calculated based on the weighted average number of ordinary shares in issue of 517,844,114 as at 30 June 2022 and 30 June 2021 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.06.2022 Singapore Cents	31.12.2021 Singapore Cents	30.06.2022 Singapore Cents	31.12.2021 Singapore Cents
Net asset value per ordinary share based on issued share capital	29.04	29.00	27.89	28.07

Net asset value per ordinary share was calculated based on the number of ordinary shares in issue of 517,844,114 as at 30 June 2022 and 31 December 2021 respectively.

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 period reported on.

8(a) Group performance review

Condensed consolidated statement of comprehensive income

Revenue and Gross profit

Revenue decreased by S\$11.3 million from S\$12.3 million in 1H FY2021 to S\$1.0 million in 1H FY2022, mainly due to a reduction in property sales in Cambodia.

Gross profit decreased by 88% to S\$0.6 million in 1H FY2022 from S\$5.4 million in 1H FY2021.

Gross profit margin grew 19% to 63% in 1H FY2022 from 44% in 1H FY2021.

Administrative expenses

Administrative expenses increased by S\$0.3 million from S\$4.2 million in 1H FY2021 to S\$4.5 million in 1H FY2022, mainly due to higher professional fees incurred in 1H FY2022.

Other expenses

Other expenses decreased by S\$3.0 million from S\$3.4 million in 1H FY2021 to S\$0.4 million in 1H FY2022, mainly due to S\$3.2 million impairment loss on assets classified as held for sale in 1H FY2021.

Share of profit of joint venture

Share of profit of joint venture increased by S\$0.3 million from S\$82 thousand in 1H FY2021 to S\$0.4 million in 1H FY2022 mainly due to a higher percentage of progressive revenue recognition on Royal Platinum project in Cambodia in 1H FY2022 as compared to 1H FY2021.

Loss for the period

The Group reported S\$3.4 million loss attributable to equity holders of the Company in 1H FY2022 as compared to S\$1.9 million loss in 1H FY2021.

8(b) Cash flow, working capital, assets or liabilities of the Group

Condensed consolidated statement of cash flows

Net cash surplus from operating activities were S\$0.8 million for 1H FY2022, mainly due to collection due from buyers of D'Seaview properties.

Net cash used in investing activities was S\$4.1 million for 1H FY2022, mainly due to investment in joint venture.

Net cash used financing activities was S\$2.1 million for 1H FY2022, mainly due to dividend paid and repayment of bank loans and lease liabilities.

As a result, the balance of cash and cash equivalents at the end of 1H FY2022 decreased by S\$4.8 million as compared to the end of previous period, to S\$21.3 million.

Condensed statement of financial position

Total Assets

Total Group assets decreased by S\$0.8 million to S\$172.6 million.

Assets

'Trade receivables' decreased mainly due to collection due from buyers of D'Seaview properties.

'Financial assets at fair value through profit or loss (current assets)' decreased mainly due to fair value loss on investment in quoted equity securities.

'Investment in joint venture' increased mainly due to investment in the Group's Royal Platinum project in Cambodia.

Total Liabilities

Total Group liabilities decreased by S\$0.9 million to S\$22.2 million.

Liabilities

'Bank loans' decreased mainly due to repayment of bank loans.

'Lease liabilities' decreased mainly due to repayment of lease liabilities.

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

The Company has not previously disclosed any forecast or a prospect statement.

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.**

Agriculture Division

- Agriculture division will continue to focus on the cultivation of cassava and the production of tapioca starch.

Property Division

- The division will continue to market the balance units of D'Seaview to potential buyers for FY2022.
- Royal Platinum mixed-use project has achieved 33% construction progress as at the end of 1H FY2022. The division will continue to market the balance units to potential buyers for FY2022.

11. **If a decision regarding dividend has been made:**

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No interim dividend has been declared or recommended for 1H FY2022.

(b)(i) Amount per share (cents)

Not applicable as no interim dividend has been declared or recommended for 1H FY2022.

(b)(ii) Previous corresponding period (cents)

No interim dividend has been declared or recommended for 1H FY2021.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable as no interim dividend has been declared or recommended for 1H FY2022.

(d) The date the dividend is payable.

Not applicable as no interim dividend has been declared or recommended for 1H FY2022.

(e) Book closure date

Not applicable as no interim dividend has been declared or recommended for 1H FY2022.

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

No interim dividend has been declared or recommended for 1H FY2022. Given the current uncertain economic climate, the board of Directors deems it appropriate to conserve adequate resources for the Group's business activities.

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). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for interested person transactions.

14. Negative confirmation pursuant to Rule 705(5).

The Board of Directors of the Company confirms that, to the best of our knowledge, nothing has come to the attention which may render the interim financial results to be false or misleading, in any material aspect.

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

The Company has procured undertaking from all its directors and executive officers under Rule 720(1) of the listing manual.

16. Use of proceeds

The Company refers announcements on 3 December 2020, 27 December 2020, 29 January 2021, 1 February 2021, 22 February 2021, 23 February 2021, 4 March 2021, 25 March 2021, 29 March 2021, 13 April 2021, 30 August 2021 and 28 Feb 2022 in relation to, among others, the Rights Issue and the offer information statement dated 4 March 2021 issued by the Company in relation to the Rights Issue (the "Offer Information Statement").

The Company would like to provide an update on the use of the net proceeds from the Rights Issue as follows:

Use of net proceeds	Allocation of net proceeds as disclosed in the Offer Information Statement (S\$' million)	Net proceeds utilised as per earlier announcement (S\$' million)	Net proceeds utilised as at date of this announcement (S\$' million)	Net proceeds balance as at date of this announcement (S\$' million)
Repayment of the Outstanding Indebtedness to the Undertaking Shareholder	14.4	(14.4)	-	-
Project development cost for on-going 2 nd mixed-use development project, Royal Platinum, located in Toul Kork	4.6	(4.6)	-	-
New project land and development cost for the 3 rd mixed-use development project located in Toul Kork	4.7	(4.7)	-	-
General working capital	2.7	-	-	2.7
Net proceeds	26.4	(23.7)	-	2.7

The above utilisation of the proceeds raised from the Rights Issue is consistent with the intended use of net proceeds disclosed in the Offer Information Statement.

The Company will continue to make periodic announcements on the utilisation of the balance of the proceeds from the Rights Issue as and when the proceeds are materially disbursed.

BY ORDER OF THE BOARD

Dato' Dr Ong Bee Huat
 Executive Deputy Chairman and Group Chief Executive Officer
 10 August 2022