



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 2023 (“1H FY2023”)

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HONG LAI HUAT GROUP LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 30 June 2023

	Note	Group		Change
		6 months ended 30 June		
		FY 2023 (Unaudited) S\$'000	FY 2022 (Unaudited) S\$'000	
Revenue	3	214	640	-67%
Cost of sales		(222)	(339)	-35%
Gross (loss) profit		(8)	301	-103%
Other income		473	1,023	-54%
Distribution and selling expenses		(42)	(60)	-30%
Administrative expenses		(3,738)	(4,506)	-17%
Other expenses		(742)	(401)	85%
Share of profit of joint venture		2,071	383	441%
Share of loss of associates		(76)	-	
Finance costs		(292)	(66)	342%
Loss before income tax	4	(2,354)	(3,326)	-29%
Income tax expense	5	(45)	(33)	36%
Loss for the period		(2,399)	(3,359)	
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Currency translation differences arising on consolidation		1,113	4,113	
Share of other comprehensive income of joint venture/ associate		134	461	
Other comprehensive income for the period, net of tax		1,247	4,574	
Total comprehensive (loss) income for the period		(1,152)	1,215	
Loss attributable to:				
Equity holders of the company		(2,399)	(3,359)	
Non-controlling interests		-	-	
		(2,399)	(3,359)	
Total comprehensive (loss) income attributable to:				
Equity holders of the company		(1,152)	1,215	
Non-controlling interests		-	-	
		(1,152)	1,215	

Note:

N.M. - Not meaningful

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**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2023**

	Note	Group		Company	
		30-06-23	31-12-22	30-06-23	31-12-22
		(Unaudited) S\$'000	(Audited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000
<u>Current assets</u>					
Cash and bank balances		6,020	11,635	198	540
Trade receivables		401	438	-	-
Other receivables and deposits		1,131	802	4	3
Prepayments		579	467	245	96
Amounts due from subsidiaries		-	-	76,189	67,000
Inventories		92	110	-	-
Biological assets	6	925	1,499	-	-
Completed development properties held for sale		17,616	17,449	-	-
Development properties	7	30,552	30,262	-	-
Total current assets		<u>57,316</u>	<u>62,662</u>	<u>76,636</u>	<u>67,639</u>
<u>Non-current assets</u>					
Other receivables and deposits		40	40	-	-
Prepayments		-	6,955	-	-
Property, plant and equipment	8	5,741	6,536	373	435
Right-of-use assets	9	62,116	62,211	-	-
Investment in joint venture		29,339	20,274	-	-
Investment in associates		7,175	2	-	-
Investment in subsidiaries		-	-	93,901	93,901
Financial assets at fair value through profit or loss		243	243	243	243
Total non-current assets		<u>104,654</u>	<u>96,261</u>	<u>94,517</u>	<u>94,579</u>
Total assets		<u>161,970</u>	<u>158,923</u>	<u>171,153</u>	<u>162,218</u>
<u>Liabilities and equity</u>					
<u>Current liabilities</u>					
Trade payables		901	707	-	-
Other payables and accruals		5,502	8,361	201	265
Amounts due to subsidiaries		-	-	30,862	20,699
Income tax payable		32	55	-	-
Borrowings	10	4,053	2,897	2,080	1,368
Lease liabilities	10	135	110	-	-
Total current liabilities		<u>10,623</u>	<u>12,130</u>	<u>33,143</u>	<u>22,332</u>
<u>Non-current liabilities</u>					
Borrowings	10	7,385	1,702	1,178	1,702
Lease liabilities	10	882	835	-	-
Deferred tax liabilities		6,389	6,413	17	17
Total non-current liabilities		<u>14,656</u>	<u>8,950</u>	<u>1,195</u>	<u>1,719</u>
<u>Capital, reserves and non-controlling interests</u>					
Share capital	11	121,023	121,023	121,023	121,023
Retained earnings		19,612	22,011	16,251	17,603
Capital reserve		414	414	(459)	(459)
Foreign currency translation reserve		(4,358)	(5,605)	-	-
Total equity		<u>136,691</u>	<u>137,843</u>	<u>136,815</u>	<u>138,167</u>
Total liabilities and equity		<u>161,970</u>	<u>158,923</u>	<u>171,153</u>	<u>162,218</u>

Note:

N.M. : Not meaningful

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 30 June 2023

Note	Attributable to owners of the company				
	Share capital	Retained earnings	Capital reserve	Currency translation reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group					
At 1 January 2022 (audited)	121,023	33,449	414	(4,702)	150,184
Total comprehensive (loss) 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
At 1 January 2023 (audited)	121,023	22,011	414	(5,605)	137,843
Total comprehensive (loss) income for the period:					
Loss for the period	-	(2,399)	-	-	(2,399)
<i>Other comprehensive income:</i>					
Currency translation differences arising on consolidation	-	-	-	1,113	1,113
Share of other comprehensive income of joint venture/ associate	-	-	-	134	134
Total	-	(2,399)	-	1,247	(1,152)
Balance at 30 June 2023 (unaudited)	121,023	19,612	414	(4,358)	136,691

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 2023

Note	Share capital S\$'000	Retained earnings S\$'000	Capital reserves S\$'000	Total equity S\$'000
<u>Company</u>				
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
At 1 January 2023 (audited)	121,023	17,603	(459)	138,167
Total comprehensive income for the period:				
Loss for the period	-	(1,352)	-	(1,352)
Balance at 30 June 2023 (unaudited)	121,023	16,251	(459)	136,815

The accompanying notes form an integral part of these financial statements

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period ended 30 June 2023

	Note	Group	
		6 months ended 30 June	
		FY 2023 (Unaudited) S\$'000	FY 2022 (Unaudited) S\$'000
Operating activities			
Loss before tax		(2,354)	(3,326)
Adjustments for:			
Depreciation of property, plant and equipment	8	538	646
Depreciation of right-of-use assets	9	939	958
Fair value loss on biological assets	6	508	214
Gain on disposal of property, plant and equipment and right-of-use assets		-	(127)
Fair value loss on financial assets at fair value through profit or loss		-	100
Foreign exchange adjustments		(175)	(133)
Interest income		(86)	(291)
Interest expense		292	66
Share of loss of associate		76	-
Share of profit of joint venture		(2,071)	(383)
Operating cash flows before movement in working capital		(2,333)	(2,276)
Trade receivables		37	3,690
Other receivables and deposits		(29)	60
Prepayments		(112)	(41)
Inventories		18	(298)
Biological assets		75	29
Completed development properties held for sale		-	(155)
Development properties		-	(4)
Trade payables		194	(19)
Other payables and accruals		(311)	(141)
Cash (used in) generated from operations		(2,461)	845
Income tax paid		(69)	(53)
Net cash (used in) from operating activities		(2,530)	792
Investing activities			
Investment in joint venture		(6,693)	(4,088)
Investment in associate		(3,008)	(3)
Interest received		86	291
Purchase of property, plant and equipment	8	(68)	(521)
Proceeds on disposal of property, plant and equipment		68	183
Net cash used in investing activities		(9,615)	(4,138)
Financing activities			
Dividend paid to owners of the Company		-	(1,036)
Proceeds from bank loans		6,683	-
Proceeds from loan from controlling shareholder		500	-
Repayment of bank loans		(855)	(911)
Repayment of lease liabilities		(90)	(107)
Purchase of right-of-use assets (Note A)		(105)	-
Interest paid		(292)	(66)
Net cash from (used in) financing activities		5,841	(2,120)
Net decrease in cash and cash equivalents		(6,304)	(5,466)
Effect of exchange rate changes on balances held in foreign currencies		178	704
Cash and cash equivalents at beginning of period		10,106	26,072
Cash and cash equivalents at end of period		3,980	21,310

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd) For the financial period ended 30 June 2023

For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	6 months ended 30 June	
	FY 2023	FY 2022
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
Cash at bank and on hand	1,266	3,932
Short-term fixed deposits with financial institutions	4,754	17,378
Cash and cash equivalents	6,020	21,310
Less: Bank overdrafts	(2,040)	-
Cash and cash equivalents per consolidated statement of cash flows	3,980	21,310
<u>Note A: Purchase of right-of-use assets</u>		
Aggregate cost of right-of-use assets acquired (Note 9)	262	-
Less: New Lease liabilities	(157)	-
Net cash outflow for purchase of right-of-use asset	105	-

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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 2023 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 2022.

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 period ending 30 June 2023 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 2022 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 2023 (Unaudited) S\$'000	FY 2022 (Unaudited) S\$'000
<u>Recognised at a point of time</u>			
Sale of crops	Cambodia	214	449
Sale of completed development properties	Cambodia	-	191
		214	640
		214	640

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3. REVENUE (cont'd)

(b) Segmentation information

(Unaudited) 6 months ended 30 June 2023	Agriculture	Property development and real estate	Others	Elimination	Group
	<u>division</u> S\$'000	<u>division</u> S\$'000	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Revenue:					
External sales	214	-	-	-	214
Inter-segment sales	25	-	-	(25)	-
	<u>239</u>	<u>-</u>	<u>-</u>	<u>(25)</u>	<u>214</u>
Results:					
Interest income from bank deposits	1	84	1	-	86
Fair value loss on biological assets	(508)	-	-	-	(508)
Depreciation expense	(1,301)	(108)	(68)	-	(1,477)
Finance costs	(1)	(245)	(46)	-	(292)
Income tax expense	-	(34)	(11)	-	(45)
Share of profit of a joint venture	-	2,071	-	-	2,071
Segment loss	<u>(1,808)</u>	<u>(819)</u>	<u>(1,353)</u>	<u>1,581</u>	<u>(2,399)</u>
Assets:					
Additions to non-current assets	300	25	5	-	330
Segment assets	<u>68,805</u>	<u>92,102</u>	<u>1,063</u>	<u>-</u>	<u>161,970</u>
Segment liabilities	<u>(7,399)</u>	<u>(14,405)</u>	<u>(3,475)</u>	<u>-</u>	<u>(25,279)</u>
(Unaudited) 6 months ended 30 June 2022					
Revenue:					
External sales	449	191	-	-	640
Inter-segment sales	25	-	1,755	(1,780)	-
	<u>474</u>	<u>191</u>	<u>1,755</u>	<u>(1,780)</u>	<u>640</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)
Share of profit of a joint venture	-	383	-	-	383
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>

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3. REVENUE (cont'd)

(c) Geographical information

	Revenue		Non-Current Assets	
	6 months ended 30 June			
	FY 2023 (Unaudited) S\$'000	FY 2022 (Unaudited) S\$'000	30.06.2023 (Unaudited) S\$'000	31.12.2022 (Audited) S\$'000
Singapore	-	-	1,412	1,580
Cambodia	214	640	102,959	94,398
Total	214	640	104,371	95,978

4. Loss before income tax

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

	Group	
	6 months ended 30 June	
	FY 2023 (Unaudited) S\$'000	FY 2022 (Unaudited) S\$'000
Depreciation of property, plant and equipment	538	646
Depreciation of right-of-use assets	939	958
Gain on disposal of property, plant and equipment and right-of-use assets	-	(127)
Grant income from Job Support Scheme	(5)	(16)
Interest income from bank deposits	(86)	(291)
Fair value loss on biological assets	508	214
Fair value loss on financial assets at fair value through profit or loss	-	100
Rental income	(360)	(520)
Net foreign exchange gain	235	68

5. Income tax expense

	6 months ended 30 June	
	FY 2023 (Unaudited) S\$'000	FY 2022 (Unaudited) S\$'000
	Income tax expense:	
- Current income tax	45	33

6. **Biological assets**

	Group	
	30.06.2023 (Unaudited) S\$'000	31.12.2022 (Audited) S\$'000
At 1 January	1,499	5,070
Additions to cassava	73	338
Loss on fair value of biological assets	(508)	(3,360)
Decrease due to harvest	(148)	(610)
Currency translation differences	9	61
	925	1,499

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	
	30.06.2023 (Unaudited) S\$'000	31.12.2022 (Audited) S\$'000
Development properties under construction		
- Freehold land	30,407	30,118
- Development costs	145	144
	30,552	30,262
Completed development properties held for sale	17,616	17,449
	48,168	47,711

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 completed development 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 2023 and 31 December 2022 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 2023 (audited)	25,498
Additions	68
Disposals	(3,723)
Currency translation differences	226
At 30 June 2023 (unaudited)	<u>22,069</u>
Accumulated depreciation	
At 1 January 2023 (audited)	18,962
Depreciation	538
Disposals	(3,355)
Currency translation differences	183
At 30 June 2023 (unaudited)	<u>16,328</u>
Net carrying value	
At 31 December 2022 (audited)	<u>6,536</u>
At 30 June 2023 (unaudited)	<u>5,741</u>

9. Right-of-use assets

	S\$'000
Group	
Cost	
At 1 January 2023 (audited)	72,252
Additions	262
Currency translation differences	688
At 30 June 2023 (unaudited)	<u>73,202</u>
Accumulated depreciation	
At 1 January 2023 (audited)	10,041
Depreciation	939
Currency translation differences	106
At 30 June 2023 (unaudited)	<u>11,086</u>
Net carrying value	
At 31 December 2022 (audited)	<u>62,211</u>
At 30 June 2023 (unaudited)	<u>62,116</u>

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10. Loans and borrowings

	Group	
	30.06.2023 (Unaudited) S\$'000	31.12.2022 (Audited) S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	3,688	3,007
Unsecured	500	-
	<u>4,188</u>	<u>3,007</u>
<u>Amount repayable after one year</u>		
Secured	<u>8,267</u>	<u>2,537</u>

As at 30 June 2023, secured borrowings were secured by:

- corporate guarantees provided by the Company and certain of the Company's subsidiaries,
- mortgage on subsidiary's assets, and
- a limited personal guarantee from a director.

11. Share capital

	Group and Company			
	30.06.2023 (Unaudited)		31.12.2022 (Audited)	
	Number of issued shares	Issued share capital S\$'000	Number of issued shares	Issued share capital S\$'000
At 1 January and 30 June	<u>517,844,114</u>	<u>121,023</u>	<u>517,844,114</u>	<u>121,023</u>

(i) Issued and Paid-Up Capital

As at 30 June 2023, the Company's issued and paid-up capital, excluding treasury shares, comprises 517,844,114 (31 December 2022: 517,844,114) ordinary shares.

(ii) Treasury Shares

The Company does not hold any treasury shares as at 30 June 2023 and 31 December 2022.

(iii) Subsidiary Holdings

None of the Company's subsidiaries held any shares in the Company as at 30 June 2023 and 31 December 2022.

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 2022.

- 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 2023. 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.

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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 2023 Singapore Cents	FY 2022 Singapore Cents
Earnings per ordinary share attributable to owners of the parent for:		
- Basic	(0.46)	(0.65)
- Diluted	(0.46)	(0.65)

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 2023 and 30 June 2022 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	
	30.06.2023 Singapore Cents	31.12.2022 Singapore Cents	30.06.2023 Singapore Cents	31.12.2022 Singapore Cents
Net asset value per ordinary share based on issued share capital	26.40	26.62	26.42	26.68

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 2023 and 31 December 2022 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\$0.4 million from S\$0.6 million in 1H FY2022 to S\$0.2 million in 1H FY2023, mainly due to zero property sales in Cambodia and lower sales from agriculture division.

The Group reported a gross loss of S\$8 thousand in 1H FY2023, as compared to a gross profit of S\$0.3 million in 1H FY2022.

Other income

Other income decreased by S\$0.5 million from S\$1.0 million in 1H FY2022 to S\$0.5 million in 1H FY2023, mainly due to lower interest income from bank deposits and rental income.

Administrative expenses

Administrative expenses decreased by S\$0.8 million from S\$4.5 million in 1H FY2022 to S\$3.7 million in 1H FY2023, mainly due to higher professional fees incurred in 1H FY2022.

Other expenses

Other expenses increased by S\$0.3 million from S\$0.4 million in 1H FY2022 to S\$0.7 million in 1H FY2023, mainly due to fair value loss on biological assets.

Share of profit of joint venture

Share of profit of joint venture increased by S\$1.7 million from S\$0.4 million in 1H FY2022 to S\$2.1 million in 1H FY2023, mainly due to higher property sales from the Group's Royal Platinum project in Phnom Penh, Kingdom of Cambodia.

Loss for the period

The Group reported S\$2.4 million loss attributable to equity holders of the Company in 1H FY2023 as compared to S\$3.4 million loss in 1H FY2022.

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

Condensed consolidated statement of cash flows

Net cash used in operating activities were S\$2.5 million for 1H FY2023, mainly due to lower revenue owing to a reduction in property and agriculture sales.

Net cash used in investing activities was S\$9.6 million for 1H FY2023, mainly due to investment in joint venture and associate.

Net cash from financing activities was S\$5.8 million for 1H FY2023, mainly due to drawn down of new bank loans.

As a result, the balance of cash and cash equivalents at the end of 1H FY2023 decreased by S\$6.1 million as compared to the end of previous year, to S\$4.0 million.

Condensed statement of financial position

Total Assets

Total Group assets increased by S\$3.0 million to S\$162.0 million.

Assets

Biological assets decreased mainly due to fair value loss and harvest during the period.

Prepayments (non-current assets) relates to investment in associate for the Group fourth mixed-use project in Sihanoukville, Kingdom of Cambodia in FY2022. The investment process was completed in 1H FY2023 and transferred to investment in associate.

Property, plant and equipment decreased mainly due to disposal of obsolete equipment.

Investment in joint venture increased mainly due to investment in the Group's Royal Platinum project in Phnom Penh, Kingdom of Cambodia and share of profit for the period.

Investment in associates increased mainly due to investment in the Group's fourth mixed-use project in Sihanoukville, Kingdom of Cambodia.

Total Liabilities

Total Group liabilities increased by S\$4.2 million to S\$25.3 million.

Liabilities

Other payables and accruals decreased mainly due to payment of the balance sum payable on the Group's investment in associate.

Borrowings increased mainly due to drawn down of new bank loans.

Lease liabilities increased mainly due to purchase of motor vehicle.

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

- The agriculture division will continue to seek joint cooperation partners to cultivate cassava or other development opportunities on its farmland in Aoral District, Kampong Speu Province, Kingdom of Cambodia.

Property Division

- The property division will continue to market the balance units of D'Seaview and Royal Platinum to potential buyers.

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 FY2023.

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

Not applicable as no interim dividend has been declared or recommended for 1H FY2023.

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

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

(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 FY2023.

(d) The date the dividend is payable.

Not applicable as no interim dividend has been declared or recommended for 1H FY2023.

(e) Book closure date

Not applicable as no interim dividend has been declared or recommended for 1H FY2023.

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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 FY2023. 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.

BY ORDER OF THE BOARD

Dato' Dr Ong Bee Huat
Executive Deputy Chairman and Group Chief Executive Officer
7 August 2023