

ICP LTD

(Company Registration No. 196200234E)

Condensed Interim Consolidated Financial Statements For the Six Months Ended 31 December 2022

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A. Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Six Months Ended 31 December 2022

	Note	Group		
		Unaudited 6 Months Ended 31/12/2022 S\$'000	Unaudited 6 Months Ended 31/12/2021 S\$'000	Change %
Revenue	4	4,810	2,563	87.7.
Cost of sales		(742)	(820)	(9.5)
Gross profit		4,068	1,743	N.M.
Other income		26	57	(54.4)
Administrative expenses		(2,224)	(1,665)	33.6
Results from operating activities		1,870	135	N.M.
Finance income		21	7	N.M.
Finance costs		(482)	(451)	6.9
Net finance costs		(461)	(444)	3.8
Other losses		(276)	(47)	N.M.
Share of results of equity-accounted investees, net of tax		(12)	3	N.M.
Profit / (loss) before tax	5	1,121	(353)	N.M.
Tax expenses		-	-	-
Profit / (loss) for the year		1,121	(353)	N.M.
Profit for the year attributable to:				
Owners of the Company		1,143	(305)	N.M.
Non-controlling interests		(22)	(48)	(54.2)
Profit / (loss) for the year		1,121	(353)	N.M.
Other comprehensive loss:				
Foreign currency translation differences		(577)	(14)	N.M.
Other comprehensive loss, net of tax		(577)	(14)	N.M.
Total comprehensive income / (loss) for the year		544	(367)	N.M.
Total comprehensive income / (loss) for the year attributable to:				
Owners of the Company		704	(320)	N.M.
Non-controlling interests		(160)	(47)	N.M.
		544	(367)	N.M.

N.M. – Not Meaningful

B. Condensed Interim Statements of Financial Position as at 31 December 2022

	Note	Group		Company	
		Unaudited 31/12/2022 S\$'000	Audited 30/06/2022 S\$'000	Unaudited 31/12/2022 S\$'000	Audited 30/06/2022 S\$'000
Non-current assets					
Property, plant and equipment	8	40,877	42,529	2	3
Intangible assets	9	7,262	7,219	-	-
Investment in subsidiaries		-	-	8,300	8,300
Associate and joint venture		2,071	20	-	-
Other investments		380	380	380	380
Other receivables		1,159	1,679	18,322	18,323
Right-of-use assets		48	143	-	-
		51,797	51,970	27,004	27,006
Current assets					
Trade and other receivables		1,818	1,721	10,137	8,069
Inventories		6	6	-	-
Cash and cash equivalents		5,736	6,877	2,326	3,623
		7,560	8,604	12,463	11,692
Total assets		59,357	60,574	39,467	38,698
Non-current liabilities					
Loans and borrowings	11	18,295	5,977	2,480	3,110
Amount due to non-controlling interests		-	269	-	-
Deferred tax liability		1,276	1,276	-	-
		19,571	7,522	2,480	3,110
Current liabilities					
Loans and borrowings	11	2,806	16,829	1,260	1,260
Amount due to non-controlling interests		1,312	1,312	-	-
Trade and other payables		1,979	1,637	4,490	2,435
Lease liabilities		48	143	-	-
Income tax payable		34	68	-	-
		6,179	19,989	5,750	3,695
Total liabilities		25,750	27,511	8,230	6,805
Net assets		33,607	33,063	31,237	31,893
Equity					
Share capital	10	34,626	34,626	34,626	34,626
Reserves		(9,080)	(9,784)	(3,389)	(2,733)
Equity attributable to equity holders of the Company		25,546	24,842	31,237	31,893
Non-controlling interests		8,061	8,221	-	-
Total equity		33,607	33,063	31,237	31,893

C. Consolidated Statement of Cash Flows for the Half Year Ended 31 December 2022

	Period from 01/07/22 to 31/12/22 S\$'000	Period from 01/07/21 to 31/12/21 S\$'000
Cash flows from operating activities		
Profit / (loss) before tax	1,121	(353)
Adjustments for:-		
Depreciation of property, plant and equipment	819	996
Depreciation of Right-of-use assets	95	85
Amortisation of intangible assets	-	7
Interest expenses	482	451
Interest income	(21)	(7)
Share of results of equity-accounted investees, net of tax	12	(3)
Unrealised foreign exchange loss	101	47
Loss allowance on trade receivables	148	-
Loss allowance on amount due from an associate	172	-
Operating cash flows before working capital changes	2,929	1,223
Change in working capital: -		
Inventories	-	69
Trade and other receivables	(222)	(231)
Trade and other payables	280	(166)
Cash generated from operations	2,987	895
Interest paid	(481)	(447)
Income tax paid	(34)	-
Net cash from operating activities	2,472	448
Cash flows from investing activities		
Acquisition of property, plant and equipment	(382)	(3)
Acquisition of intangible assets	(43)	(375)
Investment in an associate	(2,066)	-
Interest received	21	7
Non-trade amount due from an associate	306	(68)
Return of capital from unquoted fund investments, net	-	155
Net cash used in investing activities	(2,164)	(284)
Cash flows from financing activities		
Repayment of loans and borrowings	(1,028)	-
Repayment to non-controlling interests	(269)	(531)
Repayment of lease liabilities	(96)	(96)
Net cash used in financing activities	(1,393)	(627)
Net decrease in cash and cash equivalents	(1,085)	(463)
Cash and cash equivalents at beginning of the financial year	6,389	7,772
Effect of exchange rate fluctuations on cash held	(38)	(47)
Cash and cash equivalents at end of the period	5,266	7,262
Represented by:		
Cash and cash equivalents at end of the period		
Fixed deposits	470	497
Cash and bank balances	5,266	7,262
	5,736	7,759
Less: Fixed deposits with tenor of more than 3 months placed with financial institutions	(470)	(497)
	5,266	7,262

D. Consolidated Statement of Changes in Equity

The Group - For the Half Year Ended 31 December 2022

Group	Share Capital	Foreign Currency Translation Reserve	Other Reserve	Accumulated Losses	Total attributable to the equity holders of the Company	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2022	34,626	(721)	(1,338)	(7,725)	24,842	8,221	33,063
Profit for the year	-	-	-	1,143	1,143	(22)	1,121
Other comprehensive loss for the year	-	(439)	-	-	(439)	(138)	(577)
Total comprehensive income for the year	-	(439)	-	1,143	704	(160)	544
Balance as at 31 December 2022	34,626	(1,160)	(1,338)	(6,582)	25,546	8,061	33,607

The Group - For the Half Year Ended 31 December 2021

Group	Share Capital	Foreign Currency Translation Reserve	Other Reserve	Accumulated Losses	Total attributable to the equity holders of the Company	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2021	34,626	(393)	(1,338)	(6,495)	26,400	8,520	34,920
Loss for the year	-	-	-	(305)	(305)	(48)	(353)
Other comprehensive loss for the year	-	(15)	-	-	(15)	1	(14)
Total comprehensive loss for the year	-	(15)	-	(305)	(320)	(47)	(367)
Balance as at 31 December 2021	34,626	(408)	(1,338)	(6,800)	26,080	8,473	34,553

The Company – For the Half Year Ended 31 December 2022

Company	Share Capital	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2022	34,626	(2,733)	31,893
Loss for the year	-	(656)	(656)
Total comprehensive loss for the year	-	(656)	(656)
Balance as at 31 December 2022	34,626	(3,389)	31,237

The Company – For the Half Year Ended 31 December 2021

Company	Share Capital	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2021	34,626	(1,127)	33,499
Loss for the year	-	(745)	(745)
Total comprehensive loss for the year	-	(745)	(745)
Balance as at 31 December 2021	34,626	(1,872)	32,754

E. Notes to the Financial Statements

1. Corporate Information

ICP Ltd (the "Company") (Registration Number 196200234E) is incorporated in the Republic of Singapore with its principal place of business and registered office at 10 Anson Road, #28-16 International Plaza, Singapore 079903. The Company is listed on Catalist of Singapore Exchange. The financial statements are expressed in Singapore dollars.

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 ("1H2023") comprised the Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company and its subsidiaries are that of investment holding, provision of hotel management services, hotel investment and chartering of vessels.

2. Basis of Preparation

The condensed interim financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standard (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 an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements for the financial year ended 30 June 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.

The condensed interim financial statements are presented in Singapore dollar (SGD or S\$) and all values in the tables are rounded to the nearest thousand (S'000) except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The condensed interim financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements of the Group for the financial year ended 30 June 2022. 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 estimates and judgements

The preparation of the condensed interim financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 most recent audited financial statements as at and for the year ended 30 June 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 information

The Group has three reportable segments, as described below, which are the Group's strategic business units. These units are managed separately because they require different operational expertise, industry knowledge and separate financial requirements on a standalone basis. For each of the strategic business units, the Executive Directors of the respective strategic business units (the chief operating decision maker) reviews internal management reports on a monthly basis to make strategic decisions including resource allocation and performance assessments.

- (a) Hospitality - Hotel management, franchise and investment
- (b) Vessels chartering - Chartering of vessels (oil tankers)
- (c) Investment holding – Investment and management activities

Performance is measured based on segment profit or loss, as included in the internal management reports that are reviewed by the Executive Director of the respective strategic business units. Segment profit or loss is used to measure performance as the Executive Director of the respective strategic business units believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

4.1 Reportable segments

Six months ended 31 December 2022

	Hospitality ⁽ⁱ⁾ S\$'000	Vessels chartering ⁽ⁱⁱ⁾ S\$'000	Investment holding S\$'000	Inter-segment adjustments S\$'000	Total S\$'000
Segment revenue					
Revenue from external customers	3,960	849	-	-	4,809
Inter-segment revenue	73	-	-	(73)	-
Total revenue	4,033	849	-	(73)	4,809
Finance income	8	-	13	-	21
Finance costs	(433)	-	(49)	-	(482)
Share of results of equity-accounted investees, net of tax	(12)	-	-	-	(12)
Other losses	(235)	(2)	(39)	-	(276)
Reportable segment profit / (loss) for the year	1,514	256	(658)	9	1,121
Other material items:					
Depreciation and amortisation charges for the year	373	540	1	-	914
Other segment information:					
Capital expenditure	43	-	-	-	43

As at 31 December 2022

Reportable segment assets	50,236	13,373	39,773	(44,025)	59,357
Reportable segment liabilities	46,392	6,011	14,583	(41,236)	25,750

4.1 Reportable segments (continued)

	Hospitality ⁽ⁱ⁾ S\$'000	Vessels chartering ⁽ⁱⁱ⁾ S\$'000	Investment holding S\$'000	Inter-segment adjustments S\$'000	Total S\$'000
<i>Six months ended 31 December 2021</i>					
Segment revenue					
Revenue from external customers	1,615	948	-	-	2,563
Inter-segment revenue	76	-	-	(76)	-
Total revenue	1,691	948	-	(76)	2,562
Finance income	4	-	3	-	7
Finance costs	(390)	-	(61)	-	(451)
Share of results of equity-accounted investees, net of tax	3	-	-	-	3
Reportable segment profit / (loss) for the year	164	221	(747)	9	(353)
Other material items:					
Depreciation and amortisation charges for the year	417	679	1	(9)	1,088
<i>As at 31 December 2021</i>					
Reportable segment assets	47,903	14,121	40,415	(38,115)	64,324
Reportable segment liabilities	44,343	7,389	12,952	(35,280)	29,404

Note:

- (i) Compared to 1H2022, hospitality segment has improved its reportable profit from S\$0.2 million to S\$1.5m in 1H2023. The segment revenue increased from S\$1.7 million in 1H2022 to S\$4.0 million in 1H2023, contributed by fees from the hotel management company and hotel property income from the Malaysia hotel.
- (ii) The profit for vessel chartering segment has increased by S\$0.1 million as a result of reduced amortisation cost of vessels dry-docking.

4.2 Disaggregation of Revenue

The Group's revenue is attributable to the geographical location of customers and assets as follows:

	6 months ended	
	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000
Singapore	1,887	1,481
Japan	1,362	238
Malaysia	889	396
Korea	534	337
Hong Kong	52	63
Others	86	48
	<u>4,810</u>	<u>2,563</u>

5 Profit before tax

5.1 Significant items

Other than as disclosed elsewhere in the condensed interim financial statements, profit before tax of the Group has been arrived at after charging the following:

	6 months ended	
	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000
Depreciation of property, plant and equipment	819	996
Depreciation of right-of-use assets	95	85
Unrealised foreign exchange loss	101	47
Loss allowance on trade receivables	148	-
Loss allowance on amount due from an associate	122	-

5.2 Related party transactions

Other than disclosed elsewhere in the financial statements, significant related party transactions carried out based on terms agreed between the parties are as follows

	6 months ended	
	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000
Non-controlling interests		
Vessels chartering income	849	948
Administrative fee charged by a corporate shareholder	20	20
Related corporations		
Hotel fees income from associate	48	59

6 Earnings per share

Basic earnings per share is calculated by dividing the net profit (loss) for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period:

	6 months ended	
	31 Dec 2022	31 Dec 2021
Net profit / (loss) attributable to owners of the Company (S\$'000)	1,143	(305)
Weighted average number of ordinary shares ('000)	3,111,689	3,111,689
Basic profit / (loss) per share (cents)	<u>0.040</u>	<u>(0.010)</u>

7 Net asset value per share

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Net asset value attributable to owners of the Company (S\$'000)	25,546	26,080	31,237	32,754
Weighted average number of ordinary shares ('000)	3,111,689	3,111,689	3,111,689	3,111,689
Net asset value per share (cents)	<u>0.82</u>	<u>0.84</u>	<u>1.00</u>	<u>1.05</u>

There were no treasury shares at the end of each respective financial period.

8 Property, plant and equipment

During six months ended 31 December 2022, the Group acquired plant and equipment amounting to S\$382,000 (31 December 2021: S\$3,000). There was no disposal of assets during the six months ended 31 December 2022 and 31 December 2021.

9 Intangible assets

	Software	Goodwill	Trademark	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Cost				
At 30 June 2022	287	1,167	6,052	7,506
Additions	-	-	43	43
At 31 December 2022	<u>287</u>	<u>1,167</u>	<u>6,095</u>	<u>7,549</u>
Accumulated amortisation				
At 30 June 2022	287	-	-	287
Amortisation	-	-	-	-
At 31 December 2022	<u>287</u>	<u>-</u>	<u>-</u>	<u>287</u>
Carrying amounts				
At 30 June 2022	<u>7</u>	<u>1,167</u>	<u>5,384</u>	<u>6,558</u>
At 31 December 2022	<u>-</u>	<u>1,167</u>	<u>6,095</u>	<u>7,262</u>

The key assumptions, estimates critical judgements made by management in the impairment assessment on intangible assets and the key source of estimation uncertainty were the same as those that applied to the most recent audited financial statements as at and for the year ended 30 June 2022.

10 Share capital

	<u>Group and Company</u>			
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Number of ordinary shares (‘000)		S\$’000	S\$’000
<i>Issued and fully paid ordinary shares, with no par value</i>				
At the beginning and end of the financial period / year	3,111,689	3,111,689	34,626	34,626

All issued shares are fully paid, with no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company’s residual assets.

11 Loans and borrowings

	Group		Company	
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	S\$’000	S\$’000	S\$’000	S\$’000
Secured bank loans:				
- Current	1,546	15,569	-	-
- Non-current	15,815	2,867	-	-
	<u>17,361</u>	<u>18,436</u>	-	-
Bridging loan:				
- Current	1,260	1,260	1,260	1,260
- Non-current	2,480	3,110	2,480	3,110
	<u>3,740</u>	<u>4,370</u>	<u>3,740</u>	<u>4,370</u>
Current	2,806	16,829	1,260	1,260
Non-current	18,295	5,977	2,480	3,110
	<u>21,101</u>	<u>22,806</u>	<u>3,740</u>	<u>4,370</u>

The Group has a secured bank loan and a bridging bank loan with a carrying amount of S\$17,361,000 (30 June 2022 : S\$18,436,000) and S\$3,740,000 (30 Jun 2022 : S\$4,370,000) respectively as at 31 December 2022.

Details of any collaterals

The temporary bridging loan under Enterprise Singapore is interest-bearing with a tenure of 5 years. It is secured by an unconditional and irrevocable corporate guarantee from a subsidiary of the Company, Travelodge Hotels (Asia) Pte Ltd.

The secured bank loan is held by one of the subsidiaries of the Group, of which the loan is secured by the Group’s hotel property and freehold land with carrying amount of S\$30,901,000 as at 31 December 2022 (30 Jun 2022 : S\$30,211,000).

12 Subsequent events

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

F. Other Information required pursuant to Appendix 7C of the Catalyst Rules

1. Review

The condensed consolidated statements of financial position of ICP Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

3. A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

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

Not applicable.

4A. 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.

5. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of Performance

The Group reported revenue of S\$4.8 million in the six months ended 31 December 2022 ("1H2023"), an increase of S\$2.2 million from the corresponding period ended 31 December 2021 ("1H2022"). The increase in revenue was primarily due to higher hotel management fees as a result of improved performance in existing hotels and opening of new hotels in Japan. Additionally, the Group's hotel property income increased as compared to 1H2022 due to better performance in Travelodge City Centre. The growth in revenue reflects the ongoing recovery of global travel as pandemic-related travel restrictions are lifted.

Despite the increase in revenue, cost of sales dropped by S\$0.1 million from S\$0.8 million in 1H2022 to S\$0.7 million in 1H2023 due to lower vessel dry-docking amortisation costs. As a result, the Group's gross profit increased from S\$1.7 million in 1H2022 to S\$4.1 million in 1H2023.

Other income dropped from S\$57,000 in 1H2022 to S\$27,000 in 1H2023. Other income in 1H2022 consisted of grant incomes from Global Ready Talent program and Place-and-Train Programme (P-Max), which were non-recurring.

Administrative expenses comprised mainly of payroll, depreciation, professional fees and hotel operation expenses. As a result of resumption of hotel operations and expansion into new market, administrative expenses rose from S\$1.7 million in 1H2022 to S\$2.2 million in 1H2023, representing an increase of S\$0.5 million.

The increase in finance income and finance costs was a result of rising interest rates.

Other losses in 1H2023 comprised of unrealised foreign exchange loss and loss allowance on amount due from an associate.

As a result of the above, the Group reported a net profit of S\$1.1 million in 1H2023, as compared to a net loss of S\$0.4 million in 1H2022.

Review on balance sheet

Non-current assets

The decrease in property, plant and equipment was due to depreciation charge of S\$0.8 million and effect of foreign exchange movement of approximately S\$1.2 million, partially offset by additions in vessel dry docking expenditure of S\$0.4 million.

The increase in intangible assets related to costs incurred on trademark. Investment in associate increased by S\$2.0 million due to acquisition of trust beneficiary interest in 2 hotel properties in Japan, which was completed in September 2022.

Other receivables decreased by S\$0.5 million as a combined effect of \$0.3 million receipt from the associate and \$0.2 million loss allowance recognised.

Current assets

Trade and other receivables increased by S\$0.1 million which was in line with the revenue increase. Cash and cash equivalents dropped from S\$6.9 million to S\$5.7 million. The decrease was mainly due to acquisition of the 2 hotel properties in Japan and repayment of loan and borrowings.

Non-current liabilities

Non-current loans and borrowings increased by S\$12.3 million, resulting from the reclassification of a portion of the secured bank loan which had previously been classified as a current liability as at 30 June 2022 to non-current liability after securing refinancing. The subsidiary, GMT Charlie Pte. Ltd., repaid S\$0.3 million to its non-controlling interests in 1H2023, resulting in a decrease of amount due to non-controlling interests.

Current liabilities

The decrease in current loans and borrowings were due to reclassification (as set out in the previous paragraph) and repayment of loans. Trade and other payables increased by S\$0.3 million in line with the additions in vessel dry-docking expenditure.

Equity

Total equity attributable to equity holders of the company increased by S\$1.1 million due to net profit of S\$1.5 million and foreign exchange translation loss of S\$0.4 million. The decrease in non-controlling interests \$0.2 million was due to net loss attributable to non-controlling interests \$0.1 million and foreign exchange translation loss of S\$0.1 million.

Review of Cash Flows

The Group reported a net decrease in cash and cash equivalents of approximately S\$1.1 million, arising from positive operating cash flows of S\$2.5 million, offset by cash used in financing activities of S\$1.4 million, and cash used in investing activities of S\$2.2 million.

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

Not applicable.

7. 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

With the global re-opening of borders by countries further enhanced by the recent opening up of the People's Republic of China, the economic situation is expected to improve owing to the inflow of foreigners into China and the outflow of Chinese travellers to the rest of the world. This will augur well for travel-related businesses such as airlines, retail, casinos, hotels and other accommodation.

The Group will strategise for its mainstay hospitality business to try to ride on this rising momentum by enlarging its operating footprints in popular travellers' destinations such as Japan and Korea.

In this respect, the Group opened its first Travelodge hotel in Japan in October 2022, followed by a second and third in January and February 2023 respectively. One more hotel is scheduled to be opened in the coming months.

The Group also see visible increases in visitor arrivals in the other countries which it manages hotels and will be taking steps to harness the potential additional business.

These positive news are however set against a negative backdrop of high inflation, high interest rates and labour shortages in the hospitality industry. The higher financing costs arising from high interest rates, together with high inflation has resulted in increasing operating costs. This is exacerbated further by labour shortage in the hospitality business. The Group would thus be faced with increasing costs of operations and manpower problems. In order to mitigate these, it will have to try to streamline its operating systems including getting its employees to multi-task effectively.

Overall, the Group will adopt a balanced, cautionary approach in expanding its hospitality business in the near term.

8. If a decision regarding dividend has been made:

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

No.

(b) (i) Amount per share cents

Not applicable.

(ii) Previous corresponding period cents

Not applicable.

(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 shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared or recommended in view of the fact that the Group will reserve the funds for expansion.

10. 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.

To date, the Group has not obtained a general mandate from shareholders of the Company for interested person transactions.

The aggregate values of all interested person transactions for the half year ended 31 December 2022 did not exceed S\$100,000.

11. Disclosure on Acquisitions and Realisations of Shares pursuant to Rule 706A of the Catalist Rules

For the half year ended 31 December 2022, there were no acquisitions or realisations of shares resulting in a company becoming or ceasing to be a subsidiary or associated company of the Company, or resulting in the Company increasing or reducing its shareholding percentage in a subsidiary or associated company.

12. Confirmation by that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Rules

Pursuant to Rule 720(1) of the SGX Catalist Rules, the Company has procured undertakings from all its directors and executive officers.

13. Confirmation by the Board of Directors pursuant to Rule 705(5) of the Catalist Rules

Having considered, including but not limited to, the following:

- whether the financial statements provide a balanced and fair view of any material factors that have affected the Company's business conditions and financial position; and

- whether all material information has been assessed to ensure reliability of the financial statements,

the Board of Directors has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited half year financial results of the Group for the six-month period ended 31 December 2022 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Ong Min'er
Financial Controller

9 February 2023

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is:-

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