



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 2024 (“1H FY2024”)

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HONG LAI HUAT GROUP LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 30 June 2024

	Note	Group		Change %
		6 months ended 30 June		
		FY 2024 (Unaudited) S\$'000	(Restated)* FY 2023 (Unaudited) S\$'000	
Continuing operations				
Revenue	3	202	-	N.M.
Cost of sales		(101)	-	N.M.
Gross profit		101	-	N.M.
Other income		853	472	81%
Distribution and selling expenses		(1)	(42)	-98%
Administrative expenses		(2,120)	(2,164)	-2%
Impairment loss on development properties		(853)	-	N.M.
Other expenses		(454)	(234)	94%
Finance costs		(404)	(292)	38%
Share of loss of joint venture		(314)	(783)	-60%
Share of loss of associate		(25)	(76)	-67%
Loss before income tax	4	(3,217)	(3,119)	3%
Income tax credit (expense)	5	169	(44)	-484%
Loss from continuing operations		(3,048)	(3,163)	-4%
Loss from discontinued operations, net of tax	6	(1,311)	(2,090)	-37%
Loss for the period		(4,359)	(5,253)	-17%
Other comprehensive income (loss):				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Currency translation differences arising on consolidation		2,919	1,113	
Share of other comprehensive income of joint venture		853	233	
Share of other comprehensive income (loss) of associate		206	(166)	
Other comprehensive income for the period, net of tax		3,978	1,180	
Total comprehensive loss for the period		(381)	(4,073)	
Loss attributable to:				
Equity holders of the company		(4,359)	(5,253)	
Non-controlling interests		-	-	
		(4,359)	(5,253)	
Total comprehensive loss attributable to:				
Equity holders of the company		(381)	(4,073)	
Non-controlling interests		-	-	
		(381)	(4,073)	

Note:

N.M. - Not meaningful

* Certain comparative figures have been restated.

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Note	Group		Company	
		30-06-24	31-12-23	30-06-24	31-12-23
		(Unaudited) S\$'000	(Audited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000
<u>Current assets</u>					
Cash and cash equivalents		5,796	3,935	296	253
Trade receivables		170	160	-	-
Other receivables and deposits		477	789	25	4
Prepayments		190	360	81	75
Amounts due from subsidiaries		-	-	71,462	76,322
Financial assets at fair value through profit or loss		40	40	-	-
Inventories		-	91	-	-
Biological assets	7	-	339	-	-
Development properties	8	46,234	45,922	-	-
		<u>52,907</u>	<u>51,636</u>	<u>71,864</u>	<u>76,654</u>
Disposal group assets classified as held-for-sale	6	52,117	-	-	-
Total current assets		<u>105,024</u>	<u>51,636</u>	<u>71,864</u>	<u>76,654</u>
<u>Non-current assets</u>					
Other receivables and deposits		-	40	-	-
Property, plant and equipment	9	1,616	5,125	370	402
Right-of-use assets	10	169	46,502	-	-
Investment in joint venture		22,108	21,568	-	-
Investment in associates		7,931	7,395	-	-
Investment in subsidiaries		-	-	59,507	59,507
Deferred tax assets		391	-	-	-
Financial assets at fair value through profit or loss		243	243	243	243
Total non-current assets		<u>32,458</u>	<u>80,873</u>	<u>60,120</u>	<u>60,152</u>
Total assets		<u>137,482</u>	<u>132,509</u>	<u>131,984</u>	<u>136,806</u>
<u>Liabilities and equity</u>					
<u>Current liabilities</u>					
Trade payables		419	392	-	-
Other payables and accruals		13,368	5,697	369	315
Amounts due to subsidiaries		-	-	25,853	29,742
Income tax payable		1	125	-	59
Bank loans	11	2,126	4,045	1,653	1,896
Lease liabilities	11	34	144	-	-
Loan from controlling shareholder		163	558	-	400
		<u>16,111</u>	<u>10,961</u>	<u>27,875</u>	<u>32,412</u>
Disposal group liabilities classified as held-for-sale	6	5,366	-	-	-
Total current liabilities		<u>21,477</u>	<u>10,961</u>	<u>27,875</u>	<u>32,412</u>
<u>Non-current liabilities</u>					
Bank loans	11	5,848	6,285	67	434
Lease liabilities	11	92	885	-	-
Deferred tax liabilities		-	3,932	17	17
Total non-current liabilities		<u>5,940</u>	<u>11,102</u>	<u>84</u>	<u>451</u>
<u>Capital, reserves and non-controlling interests</u>					
Share capital	12	121,023	121,023	121,023	121,023
Retained earnings		(9,265)	(4,906)	(16,539)	(16,621)
Capital reserve		(459)	414	(459)	(459)
Reserve of disposal group classified as held-for-sale	6	3,336	-	-	-
Foreign currency translation reserve		(4,570)	(6,085)	-	-
Total equity		<u>110,065</u>	<u>110,446</u>	<u>104,025</u>	<u>103,943</u>
Total liabilities and equity		<u>137,482</u>	<u>132,509</u>	<u>131,984</u>	<u>136,806</u>

The accompanying notes form an integral part of these financial statements

HONG LAI HUAT GROUP LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 30 June 2024

	Attributable to owners of the company					Total equity S\$'000
	Share capital S\$'000	Retained earnings S\$'000	Capital reserve S\$'000	Currency translation reserve S\$'000	Reserve of disposal group classified as held-for-sale S\$'000	
Group						
At 1 January 2023 (audited)	121,023	18,867	414	(5,562)	-	134,742
Total comprehensive income (loss) for the period:						
Loss for the period	-	(5,253)	-	-	-	(5,253)
<i>Other comprehensive income (loss):</i>						
Currency translation differences arising on consolidation	-	-	-	1,113	-	1,113
Share of other comprehensive income of joint venture	-	-	-	233	-	233
Share of other comprehensive loss of associate	-	-	-	(166)	-	(166)
Total	-	(5,253)	-	1,180	-	(4,073)
Balance at 30 June 2023 (unaudited)	121,023	13,614	414	(4,382)	-	130,669
At 1 January 2024 (audited)	121,023	(4,906)	414	(6,085)	-	110,446
Total comprehensive loss for the period:						
Loss for the period	-	(4,359)	-	-	-	(4,359)
<i>Other comprehensive income:</i>						
Currency translation differences arising on consolidation	-	-	-	2,919	-	2,919
Share of other comprehensive income of joint venture	-	-	-	853	-	853
Share of other comprehensive income of associate	-	-	-	206	-	206
Total	-	(4,359)	-	3,978	-	(381)
Reserve attributable to disposal group classified as held-for-sale	-	-	(873)	(2,463)	3,336	-
Balance at 30 June 2024 (unaudited)	121,023	(9,265)	(459)	(4,570)	3,336	110,065

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 2024

	Share capital	Retained earnings	Capital reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Company</u>				
At 1 January 2023 (audited)	121,023	17,603	(459)	138,167
Total comprehensive loss for the period:				
Loss for the period	-	(1,352)	-	(1,352)
Balance at 30 June 2023 (unaudited)	121,023	16,251	(459)	136,815
At 1 January 2024 (audited)	121,023	(16,621)	(459)	103,943
Total comprehensive income for the period:				
Profit for the period	-	82	-	82
Balance at 30 June 2024 (unaudited)	121,023	(16,539)	(459)	104,025

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 2024

	Note	Group	
		6 months ended 30 June	
		FY 2024 (Unaudited) S\$'000	(Restated)* FY 2023 (Unaudited) S\$'000
Operating activities			
Loss before tax			
- Continuing operations		(3,217)	(3,119)
- Discontinued operations		(1,311)	(2,089)
		<u>(4,528)</u>	<u>(5,208)</u>
Adjustments for:			
Depreciation of property, plant and equipment	9	317	538
Depreciation of right-of-use assets	10	967	939
Fair value loss on biological assets	7	-	508
Gain on disposal of property, plant and equipment		(141)	-
Gain on disposal of right-of-use assets		(254)	-
Impairment loss on development properties		853	-
Foreign exchange adjustments		440	(175)
Interest income		(40)	(86)
Interest expense		404	292
Share of loss of joint venture		314	783
Share of loss of associate		25	76
Operating cash flows before movement in working capital		<u>(1,643)</u>	<u>(2,333)</u>
Trade receivables and contract assets		(5)	37
Other receivables and deposits		170	(29)
Prepayments		(1)	(112)
Inventories		3	18
Biological assets		7	75
Development properties		101	-
Trade payables and contract liabilities		9	194
Other payables and accruals		(2,027)	(311)
Cash used in operations		<u>(3,386)</u>	<u>(2,461)</u>
Income tax paid		(1)	(69)
Net cash used in operating activities		<u>(3,387)</u>	<u>(2,530)</u>
Investing activities			
Investment in joint venture		-	(6,693)
Investment in associate		(357)	(3,008)
Interest received		40	86
Purchase of property, plant and equipment	9	(29)	(68)
Proceeds on disposal of property, plant and equipment		141	68
Proceeds on disposal of right-of-use assets		294	-
Proceeds on disposal group classified as held for sale	6	8,558	-
Net cash from (used in) investing activities		<u>8,647</u>	<u>(9,615)</u>
Financing activities			
Purchase of right-of-use assets (Note A)		-	(105)
Proceeds from bank loans		-	6,683
Repayment of loan from controlling shareholder		(400)	-
Proceeds from loan from controlling shareholder		-	500
Repayment of bank loans		(773)	(855)
Repayment of lease liabilities		(149)	(90)
Interest paid		(404)	(292)
Net cash (used in) from financing activities		<u>(1,726)</u>	<u>5,841</u>
Net increase (decrease) in cash and cash equivalents		3,534	(6,304)
Effect of exchange rate changes on balances held in foreign currencies		96	178
Cash and cash equivalents at beginning of period		1,617	10,106
Cash and cash equivalents at end of period		<u>5,247</u>	<u>3,980</u>

* Certain comparative figures have been restated.

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
For the financial period ended 30 June 2024

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 2024	(Restated)
	(Unaudited)	FY 2023
	S\$'000	(Unaudited)
		S\$'000
Continuing operations		
- Cash at bank and on hand	5,108	1,266
- Short-term fixed deposits with financial institutions	688	4,754
	<u>5,796</u>	<u>6,020</u>
Discontinued operations		
- Cash at bank and on hand	10	-
Cash and cash equivalents	<u>5,806</u>	<u>6,020</u>
Less: Bank overdrafts	(559)	(2,040)
Cash and cash equivalents per consolidated statement of cash flows	<u><u>5,247</u></u>	<u><u>3,980</u></u>
<u>Note A: Purchase of right-of-use assets</u>		
Aggregate cost of right-of-use assets acquired	-	262
Less: New lease liabilities	-	(157)
Net cash outflow for purchase of right-of-use assets	<u><u>-</u></u>	<u><u>105</u></u>

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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. MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2024 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 2023.

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 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 2024 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

2. MATERIAL 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 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 2023 Annual Report.

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 2024 (Unaudited) S\$'000	(Restated) FY 2023 (Unaudited) S\$'000
Timing of revenue recognition			
<i>Continuing operations</i>			
<u>Recognised at a point of time</u>			
Sale of crops	Cambodia	-	-
Sale of completed development properties	Cambodia	202	-
		<u>202</u>	<u>-</u>
<i>Discontinued operations</i>			
<u>Recognised at a point of time</u>			
Sale of crops	Cambodia	<u>71</u>	<u>214</u>

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3. REVENUE (cont'd)

(b) Segmentation information

(Unaudited) 6 months ended 30 June 2024	Agriculture division S\$'000	Property development and real estate division S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
Continuing operations					
Revenue:					
External sales	-	202	-	-	202
Inter-segment sales	25	-	2,000	(2,025)	-
	<u>25</u>	<u>202</u>	<u>2,000</u>	<u>(2,025)</u>	<u>202</u>
Results:					
Interest income from bank deposits	-	39	1	-	40
Gain on disposal of property, plant and equipment	-	-	141	-	141
Impairment loss on development properties	-	(853)	-	-	(853)
Depreciation expense	(68)	(106)	(58)	-	(232)
Finance costs	(4)	(349)	(51)	-	(404)
Income tax credit	-	169	-	-	169
Share of loss of joint venture	-	(314)	-	-	(314)
Share of loss of associate	-	(25)	-	-	(25)
Segment (loss) profit	<u>(55)</u>	<u>(1,948)</u>	<u>82</u>	<u>(1,127)</u>	<u>(3,048)</u>
Assets:					
Additions to non-current assets	-	3	26	-	29
Investment in joint venture	-	22,108	-	-	22,108
Investment in associate	-	7,933	-	-	7,933
Segment assets	<u>4,913</u>	<u>79,437</u>	<u>1,015</u>	<u>-</u>	<u>85,365</u>
Segment liabilities	<u>(10,050)</u>	<u>(9,895)</u>	<u>(2,106)</u>	<u>-</u>	<u>(22,051)</u>
Discontinued operations					
Result:					
External sales	71	-	-	-	71
Depreciation expense	(1,052)	-	-	-	(1,052)
Segment loss	<u>(1,311)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,311)</u>
Assets:					
Segment assets	<u>52,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,117</u>
Segment liabilities	<u>(5,366)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,366)</u>

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3. REVENUE (cont'd)

(b) Segmentation information

(Restated) (Unaudited) 6 months ended 30 June 2023	Property development and real		Others S\$'000	Elimination S\$'000	Group S\$'000
	Agriculture	estate			
	division S\$'000	division S\$'000			
Continuing operations					
Revenue:					
External sales	-	-	-	-	-
Inter-segment sales	25	-	-	(25)	-
	<u>25</u>	<u>-</u>	<u>-</u>	<u>(25)</u>	<u>-</u>
Results:					
Interest income from bank deposits	1	84	1	-	86
Depreciation expense	(31)	(108)	(68)	-	(207)
Finance costs	(1)	(245)	(46)	-	(292)
Income tax expense	-	(33)	(11)	-	(44)
Share of loss of joint venture	-	(783)	-	-	(783)
Share of loss of associate	-	(76)	-	-	(76)
Segment (loss) profit	<u>282</u>	<u>(3,673)</u>	<u>(1,353)</u>	<u>1,581</u>	<u>(3,163)</u>
Assets:					
Additions to non-current assets	300	25	5	-	330
Investment in joint venture	-	21,568	-	-	21,568
Investment in associate	2	7,393	-	-	7,395
Segment assets	<u>51,916</u>	<u>79,617</u>	<u>976</u>	<u>-</u>	<u>132,509</u>
Segment liabilities	<u>(5,399)</u>	<u>(13,545)</u>	<u>(3,119)</u>	<u>-</u>	<u>(22,063)</u>
Discontinued operations					
Result:					
External sales	214	-	-	-	214
Fair value loss on biological assets	(508)	-	-	-	(508)
Depreciation expense	(1,270)	-	-	-	(1,270)
Income tax expense	(1)	-	-	-	(1)
Segment loss	<u>(2,090)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,090)</u>

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3. REVENUE (cont'd)

(c) Geographical information

	Revenue		Non-Current Assets	
	6 months ended 30 June			
	FY 2024 (Unaudited) S\$'000	(Restated) FY 2023 (Unaudited) S\$'000	30-6-24 (Unaudited) S\$'000	31-12-23 (Audited) S\$'000
Continuing operations				
Singapore	-	-	1,172	1,546
Cambodia	202	-	30,652	79,044
Total	202	-	31,824	80,590
Discontinued operations				
Cambodia	71	214	49,931	-

4. Loss before income tax

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

	Group	
	6 months ended 30 June	
	FY 2024 (Unaudited) S\$'000	(Restated) FY 2023 (Unaudited) S\$'000
Continuing operations		
Depreciation of property, plant and equipment	121	119
Depreciation of right-of-use assets	111	88
Forfeiture of deposits from property sales	(18)	-
Gain on disposal of property, plant and equipment	(141)	-
Gain on disposal of right-of-use assets	(254)	-
Interest income from bank deposits	(40)	(86)
Impairment loss on development properties	853	-
Rental income	(400)	(360)
Net foreign exchange loss	348	235
Discontinued operations		
Depreciation of property, plant and equipment	196	419
Depreciation of right-of-use assets	856	851
Fair value loss on biological assets	-	508
Other sundry income	(133)	(1)
Other sundry expenses	6	-

5. Income tax expense

	Group	
	6 months ended 30 June	
	FY 2024	(Restated) FY 2023
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
Continuing operations		
Income tax (credit) expense:		
- Current income tax	1	44
- Deferred tax	(170)	-
	<u>(169)</u>	<u>44</u>
Discontinued operations		
Income tax expense:		
- Current income tax	-	1
	<u>-</u>	<u>1</u>

6. Discontinued operations and disposal group classified as held-for-sale

On 5 February 2024, the Company announced that the Company's wholly-owned subsidiary, HLH Agri International Pte. Ltd. entered into sale and purchase agreements dated 1 February 2024 for the disposal of 100% shareholding of HLH Agriculture (Cambodia) Co. Ltd and H.L.H.I. (Cambodia) Company Limited (collectively known as "disposal group") for cash consideration of US\$36,000,000 (approximately \$47,490,000) and US\$1,500,000 (approximately \$1,979,000) respectively (the "proposal disposal"). The estimated costs of disposal for HLH Agriculture (Cambodia) Co. Ltd and H.L.H.I. (Cambodia) Company Limited are \$4,975,000 and \$256,000 respectively. The entire assets and liabilities of the disposal group have been presented in the statements of financial position as disposal group held-for-sale and its results from disposal group are presented separately on consolidated statement of profit or loss and other comprehensive income as "discontinued operations". Accordingly, the comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operations separately from continuing operations. The proposed disposal was approved by the shareholders of the Company at an extraordinary general meeting on 20 May 2024. The proposed disposal of H.L.H.I. (Cambodia) Company Limited was completed on 4 August 2024.

(i) The analysis of the loss from discontinued operations are as follows:

	Note	Group	
		6 months ended 30 June	
		FY 2024	FY 2023
		(Unaudited)	(Unaudited)
		S\$'000	S\$'000
Revenue	3	71	214
Cost of sales		(56)	(222)
Gross profit (loss)		15	(8)
Other income		133	1
Administrative expenses		(1,453)	(1,574)
Other expenses		(6)	(508)
Loss before tax from discontinued operations	4	(1,311)	(2,089)
Income tax expense		-	(1)
Loss from discontinued operations, net of tax		<u>(1,311)</u>	<u>(2,090)</u>

6. Discontinued operations and disposal group classified as held-for-sale (cont'd)

(ii) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	6 months ended 30 June	
	FY 2024	FY 2023
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
Operating cash flows	(82)	49
Investing cash flows	(1,360)	30
Financing cash flows	-	-
Total cash flows	<u>(1,442)</u>	<u>79</u>

(iii) Details of disposal group classified as held-for-sale as follows:

	Group
	30.06.2024
	(Unaudited)
	S\$'000
Assets directly associated with disposal group	
classified as held-for-sale:	
Cash and cash equivalents	10
Other receivables and deposits	205
Prepayments	1,539
Inventories	91
Biological assets	341
Property, plant and equipment	3,328
Right-of-use assets	46,601
Investment in associates	2
	<u>52,117</u>
Liabilities directly associated with disposal group	
classified as held-for-sale:	
Other payables and accruals	330
Lease liabilities	776
Deferred tax liabilities	4,260
	<u>5,366</u>
Reserve directly associated with disposal group	
classified as held-for-sale:	
Capital reserve	873
Foreign currency translation reserve	2,463
	<u>3,336</u>

(iv) The segment information of discontinued operations is disclosed in Note 3.

7. **Biological assets**

	Group	
	30-06-24 (Unaudited) S\$'000	31-12-23 (Audited) S\$'000
At 1 January	339	1,499
Additions to cassava during the period	15	199
Loss on fair value of biological assets	-	(1,175)
Decrease due to harvest	(22)	(180)
Currency translation differences	9	(4)
Reclassified as disposal group classified as held-for-sale (Note 6)	(341)	-
At 30 June / 31 December	<u>-</u>	<u>339</u>

8. **Development properties**

	Group	
	30-06-24 (Unaudited) S\$'000	31-12-23 (Audited) S\$'000
Development properties		
- Freehold land	29,326	29,638
- Development costs	145	142
	<u>29,471</u>	<u>29,780</u>
Less: Impairment loss on development properties	(853)	(1,097)
	<u>28,618</u>	<u>28,683</u>
Completed development properties held for sale	17,616	17,239
	<u>46,234</u>	<u>45,922</u>

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 / year, less the estimated costs necessary to make the sale.

Valuation of development properties

The fair values of the Group's freehold land and completed development properties held for sale at 30 June 2024 and 31 December 2023 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.

9. Property, plant and equipment

	<u>Group</u>
	30-06-24
	(Unaudited)
	S\$'000
Group	
Cost	
At 1 January 2024 (audited)	21,493
Additions	29
Disposals	(216)
Reclassified as disposal group classified as held-for-sale (Note 6)	(19,293)
Currency translation differences	541
At 30 June 2024 (unaudited)	<u>2,554</u>
Accumulated depreciation	
At 1 January 2024 (audited)	16,368
Depreciation	317
Disposals	(216)
Reclassified as disposal group classified as held-for-sale (Note 6)	(15,965)
Currency translation differences	434
At 30 June 2024 (unaudited)	<u>938</u>
Net carrying value	
At 31 December 2023 (audited)	<u>5,125</u>
At 30 June 2024 (unaudited)	<u>1,616</u>

10. Right-of-use assets

	<u>Group</u>
	30-06-24
	(Unaudited)
	S\$'000
Group	
Cost	
At 1 January 2024 (audited)	71,323
Disposals	(486)
Reclassified as disposal group classified as held-for-sale (Note 6)	(72,534)
Currency translation differences	1,960
At 30 June 2024 (unaudited)	<u>263</u>
Accumulated depreciation	
At 1 January 2024 (audited)	24,821
Depreciation	967
Disposals	(445)
Reclassified as disposal group classified as held-for-sale (Note 6)	(25,933)
Currency translation differences	684
At 30 June 2024 (unaudited)	<u>94</u>
Net carrying value	
At 31 December 2023 (audited)	<u>46,502</u>
At 30 June 2024 (unaudited)	<u><u>169</u></u>

HONG LAI HUAT GROUP LIMITED

11. Loans and borrowings

	Group	
	30-06-24 (Unaudited) S\$'000	31-12-23 (Audited) S\$'000
<i>Continuing operations</i>		
<u>Amount repayable within one year or on demand</u>		
Secured	2,323	4,747
<u>Amount repayable after one year</u>		
Secured	5,940	7,170
<i>Discontinued operations</i>		
<u>Amount repayable within one year or on demand</u>		
Secured	776	-

As at 30 June 2024, 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.

12. Share capital

	Group and Company			
	30-06-24 (Unaudited)		31-12-23 (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	517,844,114	121,023	517,844,114	121,023

(i) **Issued and Paid-Up Capital**

As at 30 June 2024, the Company's issued and paid-up capital, excluding treasury shares, comprises 517,844,114 (31 December 2023: 517,844,114) ordinary shares.

(ii) **Treasury Shares**

The Company does not hold any treasury shares as at 30 June 2024 and 31 December 2023.

(iii) **Subsidiary Holdings**

None of the Company's subsidiaries held any shares in the Company as at 30 June 2024 and 31 December 2023.

13. Subsequent events

Subsequent to 30 June 2024, there have been no events that may have an effect on the consolidated condensed interim financial statements of the Company.

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 2023.

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 2024. 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 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 2024 Singapore Cents	(Restated) FY 2023 Singapore Cents
Earnings per ordinary share attributable to owners of the parent for:		
From continuing and discontinued operations		
- Basic	(0.84)	(1.01)
- Diluted	(0.84)	(1.01)
From continuing operations		
- Basic	(0.59)	(0.61)
- Diluted	(0.59)	(0.61)
From discontinued operations		
- Basic	(0.25)	(0.40)
- Diluted	(0.25)	(0.40)

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 2024 and 31 December 2023 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	
	30-06-24 Singapore Cents	31-12-23 Singapore Cents	30-06-24 Singapore Cents	31-12-23 Singapore Cents
Net asset value per ordinary share based on issued share capital	21.25	21.33	20.09	20.07

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 2024 and 31 December 2023 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

Unaudited	Revenue S\$'000		Cost of sales S\$'000	Gross profit S\$'000	Gross profit margin %	
<u>6 months ended FY 2024</u>						
Crops	71	*	(56)	15	21%	(A)
Completed development properties	202	#	(101)	101	50%	(B)
Total	<u>273</u>		<u>(157)</u>	<u>116</u>	42%	
<u>6 months ended FY 2023</u>						
Crops	214	*	(222)	(8)	-4%	
Completed development properties	-	#	-	-	NA	
Total	<u>214</u>		<u>(222)</u>	<u>(8)</u>	-4%	

* *Discontinued operations*

Continuing operations

(A) Discontinued operations - cassava revenue decreased by S\$0.1 million from S\$0.2 million in 1H FY2023 to S\$0.1 million in 1H FY2024, mainly due to a lower harvest yield in 1H FY2024. Gross profit margin for the 1H FY2024 was 21%.

(B) Continuing operations – property sales in Cambodia increased by S\$0.2 million in 1H FY2024 as compared to zero property sales in 1H FY2023. Gross profit margin for the 1H FY2024 was 50%.

Other income

Other income increased by S\$0.4 million from S\$0.5 million in 1H FY2023 to S\$0.9 million in 1H FY2024, mainly due to gain on disposal of motor vehicles.

8(a) Group performance review (cont'd)

Condensed consolidated statement of comprehensive income

Impairment loss on development properties

Recognising an impairment loss of S\$0.9 million for freehold land's carrying amount triggered by a decrease in the fair value.

Other expenses

Other expenses increased by S\$0.3 million from S\$0.2 million in 1H FY2023 to S\$0.5 million in 1H FY2024, mainly due to foreign exchange losses incurred in 1H FY2024.

Share of loss of joint venture

Share of loss of joint venture decreased by S\$0.5 million from S\$0.8 million in 1H FY2023 to S\$0.3 million in 1H FY2024, mainly due to lower selling and marketing costs in 1H FY2024.

Loss for the year

The Group reported S\$5.7 million loss attributable to equity holders of the Company in 1H FY2024 as compared to S\$5.3 million loss in 1H FY2023.

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

Condensed consolidated statement of cash flows

Net cash used in operating activities was S\$3.4 million for 1H FY2024, mainly due to operating loss and repayment of security deposit.

Net cash from investing activities was S\$8.6 million for 1H FY2024, mainly due to advance payments received from the purchaser on the proposed disposal of 100% shareholding of HLH Agriculture (Cambodia) Co. Ltd and H.L.H.I. (Cambodia) Company Limited.

Net cash used in financing activities was S\$1.7 million for 1H FY2024, mainly due to repayment of bank loans and loan from controlling shareholder.

As a result, the balance of cash and cash equivalents at the end of 1H FY2024 increased by S\$3.6 million as compared to the end of previous year, to S\$5.2 million.

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

Condensed statement of financial position

Total Assets

Total Group assets increased by S\$5.0 million to S\$137.5 million.

Assets

Investment in joint venture relates to investment in the Group's Royal Platinum project in Phnom Penh, Kingdom of Cambodia and the Group's share of the joint venture's result.

Investment in associate relates to investment in the Group's fourth mixed-use project in Sihanoukville, Kingdom of Cambodia and the Group's share of the associate's result.

Disposal group of assets classified as held-for-sale relates to the assets attributable to the proposed disposal of 100% shareholding of HLH Agriculture (Cambodia) Co. Ltd and H.L.H.I. (Cambodia) Company Limited.

Total Liabilities

Total Group liabilities increased by S\$5.3 million to S\$27.0 million.

Liabilities

Other payables and accruals increased mainly due to advance payment collected from the purchaser on the proposed disposal of 100% shareholding of HLH Agriculture (Cambodia) Co. Ltd and H.L.H.I. (Cambodia) Company Limited.

Borrowings decreased mainly due to repayment of bank loans and loan from controlling shareholder.

Disposal group of liabilities classified as held-for-sale relates to the liabilities attributable to the proposed disposal of 100% shareholding of HLH Agriculture (Cambodia) Co. Ltd and H.L.H.I. (Cambodia) Company Limited.

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

Upon the completion of the proposed disposal of 100% shareholding of HLH Agriculture (Cambodia) Co. Ltd and H.L.H.I. (Cambodia) Company Limited, the Group will exit the agriculture business.

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 final dividend has been declared or recommended for 1H FY2024.

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

Not applicable as no final dividend has been declared or recommended for 1H FY2024.

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

No final dividend has been declared or recommended for FY2023.

(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 final dividend has been declared or recommended for 1H FY2024.

(d) The date the dividend is payable.

Not applicable as no final dividend has been declared or recommended for 1H FY2024.

(e) Book closure date

Not applicable as no final dividend has been declared or recommended for 1H FY2024.

12. 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 for the financial period reported on as the Board of Directors deemed it necessary to preserve cash for working capital.

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, PBM
Executive Deputy Chairman and Group Chief Executive Officer
14 August 2024