



HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No. 199905292D)

CONDENSED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022 (“FY2022”)

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HONG LAI HUAT GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2022

	Note	Group		Change %
		FY2022	FY2021	
		(Unaudited) S\$'000	(Audited) S\$'000	
Revenue	3	1,641	16,727	(90)
Cost of sales		(964)	(6,483)	(85)
Gross profit		677	10,244	(93)
Other income		2,400	2,467	(3)
Distribution and selling expenses		(127)	(99)	28
Administrative expenses		(8,330)	(8,378)	-
Other expenses		(4,314)	(373)	1,057
Impairment loss		(3,500)	-	N.M.
Share of profit of a joint venture		695	313	122
Finance costs		(217)	(186)	17
(Loss)/profit before income tax	4	(12,716)	3,988	N.M.
Income tax credit	5	2,314	2,310	-
(Loss)/profit for the year		(10,402)	6,298	N.M.
Loss from discontinued operation, net of tax	6	-	(2,820)	N.M.
(Loss)/profit for the year		(10,402)	3,478	N.M.
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Currency translation differences arising on consolidation		(903)	2,558	N.M.
Share of other comprehensive income of a joint venture		-	87	N.M.
Other comprehensive income for the year, net of tax		(903)	2,645	N.M.
Total comprehensive income for the year		(11,305)	6,123	N.M.
(Loss)/profit attributable to:				
Equity holders of the company		(10,402)	3,478	N.M.
Non-controlling interests		-	-	-
		(10,402)	3,478	N.M.
Total comprehensive income attributable to:				
Equity holders of the company		(11,305)	6,123	N.M.
Non-controlling interests		-	-	-
		(11,305)	6,123	N.M.

N.M. - Not meaningful

The accompanying notes form an integral part of these financial statements

HONG LAI HUAT GROUP LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

Statement of Financial Position

	Note	Group		Company	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
		(Unaudited) S\$'000	(Audited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000
<u>Current assets</u>					
Cash and bank balances		11,635	26,072	540	1,804
Trade receivables		493	4,096	-	-
Other receivables and deposits		743	1,209	3	6
Prepayments		471	759	96	92
Amounts due from subsidiaries		-	-	67,000	58,524
Financial assets at fair value through profit or loss		-	100	-	-
Inventories		110	96	-	-
Biological assets	7	1,499	5,070	-	-
Completed development properties held for sale	8	17,449	17,775	-	-
Development properties	8	30,262	30,437	-	-
Total current assets		<u>62,662</u>	<u>85,614</u>	<u>67,639</u>	<u>60,426</u>
<u>Non-current assets</u>					
Other receivables and deposits		40	40	-	-
Prepayments		6,955	-	-	-
Property, plant and equipment	9	6,536	10,695	435	151
Right-of-use assets	10	62,211	64,516	-	59
Investment in a joint venture		20,274	12,221	-	-
Investment in associates		2	2	-	-
Investment in subsidiaries		-	-	93,901	100,129
Financial assets at fair value through profit or loss		243	243	243	243
Total non-current assets		<u>96,261</u>	<u>87,717</u>	<u>94,579</u>	<u>100,582</u>
Total assets		<u>158,923</u>	<u>173,331</u>	<u>162,218</u>	<u>161,008</u>
<u>Liabilities and equity</u>					
<u>Current liabilities</u>					
Trade payables		707	964	-	-
Other payables and accruals		8,361	7,319	265	351
Amounts due to subsidiaries		-	-	20,699	10,236
Income tax payable		55	20	-	-
Bank loans	11	2,897	1,846	1,368	1,846
Lease liabilities		110	135	-	25
Total current liabilities		<u>12,130</u>	<u>10,284</u>	<u>22,332</u>	<u>12,458</u>
<u>Non-current liabilities</u>					
Bank loans	11	1,702	3,163	1,702	3,163
Lease liabilities		835	897	-	16
Deferred tax liabilities		6,413	8,803	17	17
Total non-current liabilities		<u>8,950</u>	<u>12,863</u>	<u>1,719</u>	<u>3,196</u>
<u>Capital, reserves and non-controlling interests</u>					
Share capital	12	121,023	121,023	121,023	121,023
Retained earnings		22,011	33,449	17,603	24,790
Capital reserve		414	414	(459)	(459)
Foreign currency translation reserve		(5,605)	(4,702)	-	-
Total equity		<u>137,843</u>	<u>150,184</u>	<u>138,167</u>	<u>145,354</u>
Total liabilities and equity		<u>158,923</u>	<u>173,331</u>	<u>162,218</u>	<u>161,008</u>

The accompanying notes form an integral part of these financial statements

HONG LAI HUAT GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2022

		Attributable to equity holders of the Company					
		Share capital	Retained earnings	Capital reserve	Asset revaluation reserve	Currency translation reserve	Total equity
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Group</u>							
	At 1 January 2021	94,602	27,196	414	2,775	(7,347)	117,640
	Total comprehensive income for the year:						
	Profit for the year	-	3,478	-	-	-	3,478
	<i>Other comprehensive income:</i>						
	Currency translation differences arising on consolidation	-	-	-	-	2,558	2,558
	Share of other comprehensive income of joint venture	-	-	-	-	87	87
	Total	-	3,478	-	-	2,645	6,123
	Transactions with owners, recognised directly in equity:						
	Rights issue	26,929	-	-	-	-	26,929
	Rights issue expenses	(508)	-	-	-	-	(508)
	Total	26,421	-	-	-	-	26,421
	Reclassification of asset revaluation reserve to retained earnings upon disposal of assets	-	2,775	-	(2,775)	-	-
	Balance at 31 December 2021 (audited)	121,023	33,449	414	-	(4,702)	150,184
	At 1 January 2022	121,023	33,449	414	-	(4,702)	150,184
	Total comprehensive income for the year:						
	Loss for the year	-	(10,402)	-	-	-	(10,402)
	<i>Other comprehensive income:</i>						
	Currency translation differences arising on consolidation	-	-	-	-	(903)	(903)
	Total	-	(10,402)	-	-	(903)	(11,305)
	Transaction with owners, recognised directly in equity:						
	Dividend paid	-	(1,036)	-	-	-	(1,036)
	Total	-	(1,036)	-	-	-	(1,036)
	Balance at 31 December 2022 (unaudited)	121,023	22,011	414	-	(5,605)	137,843

The accompanying notes form an integral part of these financial statements

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
For the financial year ended 31 December 2022

	Note	Attributable to equity holders of the Company			
		Share capital	Retained earnings	Capital reserves	Total equity
		S\$'000	S\$'000	S\$'000	S\$'000
<u>Company</u>					
Balance at 1 January 2021		94,602	24,655	(459)	118,798
Total comprehensive income for the year					
Profit for the year		-	135	-	135
Transactions with owners, recognised directly in equity:					
Rights issue	12	26,929	-	-	26,929
Rights issue expenses	12	(508)	-	-	(508)
Total		26,421	-	-	26,421
Balance at 31 December 2021 (audited)		121,023	24,790	(459)	145,354
Balance at 1 January 2022		121,023	24,790	(459)	145,354
Total comprehensive income for the year					
Loss for the year		-	(6,151)	-	(6,151)
Transaction with owners, recognised directly in equity:					
Dividend paid		-	(1,036)	-	(1,036)
Total		-	(1,036)	-	(1,036)
Balance at 31 December 2022 (unaudited)		121,023	17,603	(459)	138,167

The accompanying notes form an integral part of these financial statements

HONG LAI HUAT GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2022

	Group	
	FY2022 (Unaudited) S\$'000	FY2021 (Audited) S\$'000
Cash flows from operating activities		
(Loss)/profit before tax		
- From continuing operations	(12,716)	3,988
- From discontinued operation	-	(2,820)
	<u>(12,716)</u>	<u>1,168</u>
Adjustments for:		
Depreciation of property, plant and equipment	1,285	1,256
Depreciation of right-of-use assets	1,930	1,877
Fair value loss on biological assets	3,817	255
Impairment loss on property, plant and equipment	3,500	-
Gain on disposal of property, plant and equipment	(37)	(308)
Gain on disposal of right-of-use assets	(92)	-
Loss on disposal of a subsidiary	-	3,200
Fair value loss/(gain) on financial asset at fair value through profit or loss	100	(3)
Interest income	(551)	(189)
Interest expense	217	237
Net gain on repossession of development properties	-	(595)
Share of profit of a joint venture	(695)	(313)
Property, plant and equipment written off	-	118
Operating cash flows before movement in working capital	<u>(3,242)</u>	<u>6,703</u>
Trade receivables	3,603	4,006
Other receivables and deposits	466	206
Prepayments	289	619
Inventories	(14)	63
Biological assets	(176)	302
Development properties	220	(92)
Trade payables	(257)	(1,547)
Other payables and accruals	(1,452)	(1,051)
Unrealised foreign exchange differences	(227)	(21)
Cash (used in)/generated from operations	<u>(790)</u>	<u>9,188</u>
Income tax paid	(45)	(94)
Net cash (used in)/from operating activities	<u>(835)</u>	<u>9,094</u>
Cash flows from investing activities		
Investment in a joint venture	(7,448)	(5,416)
Investment in an associate	-	(2)
Prepaid investment	(4,407)	-
Interest received	551	189
Purchase of property, plant and equipment	(582)	(1,237)
Proceeds from disposal of property, plant and equipment	61	501
Proceeds from disposal of right-of-use assets	140	-
Proceeds from disposal of a subsidiary	-	4,800
Net cash used in investing activities	<u>(11,685)</u>	<u>(1,165)</u>
Cash flows from financing activities		
Dividend paid	(1,036)	-
Interest paid	(217)	(237)
Purchase of right-of-use assets (Note B)	-	(246)
Repayment of loan from controlling shareholder (Note C)	-	(258)
Repayment of bank loans	(1,939)	(2,943)
Repayment of lease liabilities	(118)	(163)
Proceeds from rights issue	-	12,777
Rights issue expenses	-	(508)
Net cash (used in)/from financing activities	<u>(3,310)</u>	<u>8,422</u>
Net (decrease)/increase in cash and cash equivalents	<u>(15,830)</u>	<u>16,351</u>
Effects of exchange rate changes on cash and cash equivalents	(136)	186
Cash and cash equivalents at beginning of year	<u>26,072</u>	<u>9,535</u>
Cash and cash equivalents at end of year	<u>10,106</u>	<u>26,072</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
For the financial year ended 31 December 2022

	Group	
	31.12.2022	31.12.2021
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Cash at bank and on hand	4,897	11,636
Short-term fixed deposits with financial institutions	6,738	14,436
Less : Bank overdraft	(1,529)	-
Cash and cash equivalents per consolidated statement of cash flows	10,106	26,072

Significant non-cash transactions

- (a) Reconciliation to statement of comprehensive income

The balance reflected as (loss)/profit before tax in the condensed consolidated statement of cash flows is derived as follows:

	Group	
	FY2022	FY2021
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Profit before tax from discontinued operation (Note 6)	-	380
Loss on disposal of a subsidiary (Note 13)	-	(3,200)
(Loss)/profit before tax from continuing operation (Page 1)	(12,716)	3,988
	(12,716)	1,168

- (b) In the last financial year, the Group acquired right-of-use asset with an aggregate cost of S\$486,000 of which S\$240,000 was acquired under finance lease arrangement.
- (c) In the last financial year, the repayment of the loan from controlling shareholder of S\$14,410,000 was partially settled non-cash via offset against proceeds due from controlling shareholder relating to its subscription of rights shares for S\$14,152,000.

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

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

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

New and revised standards that are adopted

In the current financial year, 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 year. 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 2022 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Use of estimates and judgements

The preparation of condensed 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 financial year are disclosed in Note 3 in our financial year ended 31 December 2021 Annual Report.

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

3. REVENUE

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

(a) Disaggregation of revenue

	Primary geographical markets	Group	
		FY2022 (Unaudited) S\$'000	FY2021 (Audited) S\$'000
Timing of revenue recognition			
<i>Continuing operations</i>			
<u>Recognised at a point of time</u>			
Sale of crops	Cambodia	973	1,443
Sale of completed development properties	Cambodia	668	15,284
		<u>1,641</u>	<u>16,727</u>
<i>Discontinued operation</i>			
<u>Recognised over time</u>			
Rental income from lease of resort	Singapore	-	611

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3. REVENUE (cont'd)

(b) Segmentation information

	Agriculture division S\$'000	Property development and real estate division S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
FY2022 (Unaudited)					
Continuing operations					
Revenue:					
External sales	973	668	-	-	1,641
Inter-segment sales	50	-	2,173	(2,223)	-
	<u>1,023</u>	<u>668</u>	<u>2,173</u>	<u>(2,223)</u>	<u>1,641</u>
Results:					
Interest income	48	502	1	-	551
Gain/(loss) on disposal of property, plant and equipment	39	(2)	-	-	37
Gain on disposal of right-of-use assets	-	-	92	-	92
Fair value loss on financial asset at fair value through profit or loss	-	(100)	-	-	(100)
Fair value loss on biological assets	(3,817)	-	-	-	(3,817)
Impairment loss on property, plant and equipment	(3,500)	-	-	-	(3,500)
Depreciation of property, plant and equipment and right-of-use assets	(2,859)	(221)	(135)	-	(3,215)
Finance costs	(71)	(16)	(130)	-	(217)
Share of profit of a joint venture	-	695	-	-	695
Income tax credit/(expense)	2,405	(65)	(26)	-	2,314
Segment (loss)/profit	<u>(8,822)</u>	<u>(512)</u>	<u>78</u>	<u>(1,146)</u>	<u>(10,402)</u>
Assets:					
Additions to non-current assets	159	15	408	-	582
Segment assets	<u>69,865</u>	<u>87,739</u>	<u>1,319</u>	<u>-</u>	<u>158,923</u>
Segment liabilities					
	<u>(7,288)</u>	<u>(10,440)</u>	<u>(3,352)</u>	<u>-</u>	<u>(21,080)</u>

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3. REVENUE (cont'd)

(b) Segmentation information (cont'd)

	Agriculture division S\$'000	Property development and real estate division S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
FY2021 (Audited)					
Continuing operations					
Revenue:					
External sales	1,443	15,284	-	-	16,727
Inter-segment sales	15	-	2,800	(2,815)	-
	<u>1,458</u>	<u>15,284</u>	<u>2,800</u>	<u>(2,815)</u>	<u>16,727</u>
Results:					
Interest income	-	181	7	-	188
Gain on disposal of property, plant and equipment	48	260	-	-	308
Fair value loss on biological assets	(255)	-	-	-	(255)
Depreciation of property, plant and equipment and right-of-use assets	(2,850)	(118)	(136)	-	(3,104)
Finance costs	-	-	(186)	-	(186)
Share of profit of a joint venture	-	313	-	-	313
Income tax credit/(expense)	2,378	(32)	(36)	-	2,310
Segment (loss)/profit	<u>(3,361)</u>	<u>7,226</u>	<u>135</u>	<u>2,298</u>	<u>6,298</u>
Assets:					
Additions to property, plant and equipment and right-of-use assets	1,210	489	24	-	1,723
Segment assets	<u>84,200</u>	<u>86,775</u>	<u>2,356</u>	<u>-</u>	<u>173,331</u>
Segment liabilities	<u>(9,878)</u>	<u>(7,851)</u>	<u>(5,418)</u>	<u>-</u>	<u>(23,147)</u>
Discontinued operation					
Revenue:					
External sales	611	-	-	-	611
Interest income	1	-	-	-	1
Depreciation expense	(29)	-	-	-	(29)
Finance costs	(51)	-	-	-	(51)
Loss on disposal of a subsidiary	(3,200)	-	-	-	(3,200)
Segment loss	<u>(2,820)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,820)</u>

(c) Geographical information

	Revenue		Non-Current Assets	
	FY2022 (Unaudited) S\$'000	FY2021 (Audited) S\$'000	31.12.2022 (Unaudited) S\$'000	31.12.2021 (Audited) S\$'000
Continuing operations				
Singapore	-	-	1,580	1,553
Cambodia	1,641	16,727	94,398	85,881
Total	<u>1,641</u>	<u>16,727</u>	<u>95,978</u>	<u>87,434</u>
Discontinued operation				
Singapore	-	611	-	-

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4. (LOSS)/PROFIT BEFORE INCOME TAX

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

	Group	
	FY2022 (Unaudited) S\$'000	FY2021 (Audited) S\$'000
Continuing operations		
Depreciation of property, plant and equipment	1,285	1,256
Depreciation of right-of-use assets	1,930	1,848
Forfeiture of deposits from property sales	(91)	(835)
Gain on disposal of property, plant and equipment	(37)	(308)
Gain on disposal of right-of-use assets	(92)	-
Government grants	(35)	(48)
Interest income from bank deposits	(551)	(188)
Allowance for doubtful debts	378	-
Property, plant and equipment written off	-	118
Fair value loss on biological assets	3,817	255
Impairment loss on property, plant and equipment	3,500	-
Fair value loss/(gain) on financial asset at fair value through profit or loss	100	(3)
Rental income	(930)	(611)
Net foreign exchange gain	(585)	(110)
	<u> </u>	<u> </u>
Discontinued operation		
Depreciation of right-of-use assets	-	29
Grant income from Job Support Scheme	-	(67)
Loss on disposal of subsidiary	-	3,200
Interest income from bank deposits	-	(1)
	<u> </u>	<u> </u>

5. INCOME TAX CREDIT

	Group	
	FY2022 (Unaudited) S\$'000	FY2021 (Audited) S\$'000
Continuing operations		
Income tax expense/(credit) attributable to (loss)/profit is made up of:		
- Current income tax	50	28
- Deferred tax	(2,390)	(1,015)
	<u>(2,340)</u>	<u>(987)</u>
Under/(over) provision in respect of prior years:		
- Current income tax	26	91
- Deferred tax	-	(1,414)
	<u>(2,314)</u>	<u>(2,310)</u>

6. DISCONTINUED OPERATION

On 6 June 2021, the Group entered into a Sale and Purchase Agreement with third party to dispose its entire shareholding interest of 12,631,962 shares, representing 100% of the entire issued shares of HLH Agri R&D Pte Ltd. The disposal was completed on 6 September 2021, on which date of control of HLH Agri R&D Pte Ltd passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in Note 13.

The results of the discontinued operation were as follows:

	Group FY2021 (Audited) S\$'000
Revenue	611
Other income	78
Administrative expenses	(258)
Other expenses	-
Finance costs	(51)
Profit before tax	<u>380</u>
Income tax expense	-
	<u>380</u>
Loss on disposal of a subsidiary (Note 13)	<u>(3,200)</u>
Loss from discontinued operation, net of tax	<u><u>(2,820)</u></u>

The cash flows attributable to the discontinued operation for the period from 1 January 2021 to 6 September 2021 were as follows:

	Group 06.09.2021 (Audited) S\$'000
Net cash from operating activities	1,500
Net cash used in financing activities	<u>(1,425)</u>
Net increase in cash and cash equivalents	<u><u>75</u></u>

7. BIOLOGICAL ASSETS

	Group	
	31.12.2022	31.12.2021
	(Unaudited)	(Audited)
	S\$'000	S\$'000
At beginning	5,070	5,515
Additions to cassava during the year	338	538
Loss on fair value of biological assets	(3,817)	(255)
Decrease due to harvest	(171)	(844)
Currency translation differences	79	116
At end	<u>1,499</u>	<u>5,070</u>

Valuation of biological assets

The fair values of the Group's biological assets at 31 December 2022 and 31 December 2021 have been determined on the basis of valuations carried out at the respective year end dates by independent professional valuer having an appropriate recognised professional qualification and recent experience in the location and category of the assets being valued.

8. DEVELOPMENT PROPERTIES

	Group	
	31.12.2022	31.12.2021
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Development properties under construction		
- Freehold land	30,118	30,295
- Development costs	144	142
	<u>30,262</u>	<u>30,437</u>
Completed development properties held for sale	17,449	17,775
	<u>47,711</u>	<u>48,212</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, rental or capital appreciation. Completed development properties held for sale are held as inventories and are measured at the lower of cost and net realisable value.

The costs of properties held for sale include:

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

Net realisable value of completed development properties held for sale is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting year, 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 31 December 2022 and 31 December 2021 have been determined on the basis of valuations carried out by independent professional valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

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9. PROPERTY, PLANT AND EQUIPMENT

	S\$'000
Group	
Cost	
At 1 January 2022	25,737
Additions	582
Disposals	(674)
Currency translation differences	(147)
At 31 December 2022	<u>25,498</u>
Accumulated depreciation and impairment	
At 1 January 2022	15,042
Depreciation	1,285
Impairment	3,500
Disposals	(650)
Currency translation differences	(215)
At 31 December 2022	<u>18,962</u>
Net carrying value	
At 31 December 2021 (audited)	<u>10,695</u>
At 31 December 2022 (unaudited)	<u>6,536</u>

10. RIGHT-OF-USE ASSETS

	S\$'000
Group	
Cost	
At 1 January 2022	72,896
Disposals	(222)
Currency translation differences	(423)
At 31 December 2022	<u>72,251</u>
Accumulated depreciation	
At 1 January 2022	8,380
Depreciation	1,930
Disposals	(174)
Currency translation differences	(96)
At 31 December 2022	<u>10,040</u>
Net carrying value	
At 31 December 2021 (audited)	<u>64,516</u>
At 31 December 2022 (unaudited)	<u>62,211</u>

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11. LOANS AND BORROWINGS

	Group	
	31.12.2022 (Unaudited) S\$'000	31.12.2021 (Audited) S\$'000
<u>Repayable within one year</u>		
Secured	2,897	1,846
<u>Repayable after one year</u>		
Secured	1,702	3,163

Bank loans were secured by corporate guarantees provided by the Company and certain of the Company's subsidiaries. Overdraft was secured by corporate guarantee provided by the Company, certain unsold completed development properties held for sale and personal guarantee by the controlling shareholder.

12. SHARE CAPITAL

	Group and Company			
	31.12.2022 (Unaudited)		31.12.2021 (Audited)	
	Number of issued shares '000	Issued share capital S\$'000	Number of issued shares '000	Issued share capital S\$'000
At beginning	517,844	121,023	221,933	94,602
Rights issue	-	-	295,911	26,929
Rights issue expenses	-	-	-	(508)
At end	517,844	121,023	517,844	121,023

(i) Issued and Paid-Up Capital

On 26 March 2021, the Company issued 4 rights shares for every 3 existing ordinary shares in the issued and paid-up capital of the Company at S\$0.091 per rights share. The Company raised gross proceeds of S\$26,929,000 from the rights issue, with controlling shareholder subscribing 155,512,000 of rights shares amounted to S\$14,152,000 which was settled via set off against S\$14,410,000 loan extended to the Company by the controlling shareholder.

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

(ii) Treasury Shares

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

(iii) Subsidiary Holdings

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

13. DISPOSAL OF A SUBSIDIARY

As referred to in Note 6, on 6 September 2021, the Group discontinued its agriculture operation in Singapore upon disposal of its interest in HLH Agri R&D Pte Ltd.

The net assets of HLH Agri R&D Pte Ltd at the date of disposal were as follows:

	06.09.2021 (Audited) S\$'000
Non-current asset	
Investment property, representing net asset derecognised	<u>8,000</u>
Consideration received	
Cash	<u>4,800</u>
Loss on disposal	
Consideration received	4,800
Net asset derecognised	<u>(8,000)</u>
Loss on disposal	<u>(3,200)</u>

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

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

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

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

The adoption of the new SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group for the current 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	
	FY2022 Singapore Cents	FY2021 Singapore Cents
(Loss)/earnings per ordinary share attributable to owners of the parent for:		
From continuing and discontinued operations:		
- Basic	(2.01)	0.78
- Diluted	(2.01)	0.78
From continuing operations:		
- Basic	(2.01)	1.41
- Diluted	(2.01)	1.41

The basic and diluted earnings per ordinary share were calculated based on the weighted average number of ordinary shares in issue during the year of 517,844,114 shares (31 December 2021 : 446,227,000 shares).

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	
	31.12.2022 Singapore Cents	31.12.2021 Singapore Cents	31.12.2022 Singapore Cents	31.12.2021 Singapore Cents
Net asset value per ordinary share based on issued share capital	26.62	29.00	26.68	28.07

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

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

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.

8(a) Group performance review

Condensed consolidated statement of comprehensive income

Revenue and Gross profit

Revenue decreased by S\$15.1 million from S\$16.7 million in FY2021 to S\$1.6 million in FY2022 mainly due to a reduction in property sales in Cambodia.

Gross profit dropped by 93% from S\$10.2 million in FY2021 to S\$0.1 million in FY2022.

Gross profit margin dropped by 20% from 61% in FY2021 to 41% in FY2022.

Other income

Other income of S\$2.4 million in FY2022 was comparable with FY2021. It comprised mainly rental income, interest income, net foreign exchange gain and forfeiture of deposits from property sales. There was net gain on repossession of development properties in FY2021.

Administrative expenses

Administrative expenses of S\$8.3 million in FY2022 was comparable with FY2021. It comprised mainly payroll, depreciation and overheads.

Other expenses

Other expenses increased by S\$3.9 million from S\$0.4 million in FY2021 to S\$4.3 million in FY2022 mainly because of the fair value loss on biological assets.

Impairment loss

Impairment loss was in respect of impairment loss on property, plant and equipment.

Share of profit of a joint venture

The share of higher profit of a joint venture was mainly attributed to higher progressive revenue recognition for the Group's Royal Platinum project in Cambodia.

Loss for the year

The Group incurred a loss of S\$10.4 million in FY2022 as compared to net profit of S\$3.5 million in FY2021.

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

Condensed statement of financial position

Assets

The decrease in trade receivables was mainly due to collection due from buyers of D'Seaview properties.

The decrease in biological assets was mainly due to fair value loss. The yield from cassava plantation had dropped in the year under review.

Prepayments under non-current assets was in relation to investment sum for Group's investment in an associate for the fourth mixed-use project in Sihanoukville, Cambodia.

Apart from depreciation, the decrease in property, plant and equipment was mainly due to impairment.

Investment in a joint venture is in relation to the Group's Royal Platinum project in Phnom Penh, Cambodia.

Liabilities

The increase in other payables and accruals was mainly due to balance sum payable on the Group's investment in an associate.

The increase in bank loans under current liabilities was mainly attributed to the drawdown of overdraft facility. The decrease in bank loans under non-current liabilities was due to repayment of bank loans.

Condensed consolidated statement of cash flows

Net cash used in operating activities of S\$0.8 million for FY2022 was mainly attributed to lower revenue owing to a reduction in property sales.

Net cash used in investing activities of S\$11.7 million for FY2022 was mainly due to investment in a joint venture for the Group's Royal Platinum project in Phnom Penh, Cambodia and amounts prepaid for Group's investment in an associate for the fourth mixed-use project in Sihanoukville, Cambodia.

Net cash used in financing activities of S\$3.3 million for FY2022 was mainly due to payment of dividend and repayment of bank loans.

As a result, the balance of cash and cash equivalents at the end of FY2022 decreased by S\$15.8 million compared to an increase of S\$16.4 million at the end of FY2021.

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 Group's second mixed use project Royal Platinum construction will have its topping out ceremony in mid-march 2023, this will mark a significant step in completing the entire project as per the scheduled timeline. With the opening of international borders, the Group remains optimistic and will work closely with its stakeholders on the sale of its property units in FY2023.
- The Group will also concurrently work on launching the fourth mixed-use project in Sihanoukville in which the Group has a minority interest in the new project before 1H2023. The new project is slated to incorporate a new stretch of European style shop-houses, commercial units, as well as residential towers. The Group will make subsequent announcement on the project details to its shareholders and potential investors.
- The Group plans to diversify its income stream in FY2023 by converting and refurbish the property units in the D'Seaview project for serviced apartment rental purposes and will update the shareholders accordingly once the work has been completed.

11. If a decision regarding dividend has been made:

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

None.

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

Not applicable.

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

Dividend declared for the previous corresponding period were as follows:

Name of dividend	:	Final
Dividend Type	:	Cash
Dividend amount per share	:	0.2 cents per ordinary share
Tax Rate	:	Tax exempt (one-tier)

(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) Book closure date

Not applicable.

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

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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. 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 undertakings from all its directors and executive officers under Rule 720(1) of the listing manual.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8 above.

16. A breakdown of revenue and profit

	Group		
	FY2022 S\$'000	FY2021 S\$'000	Change %
<u>First half</u>			
<i>Continuing operations</i>			
Revenue reported	1,010	11,687	(91)
Operating loss after tax reported	(3,359)	(2,325)	44
<i>Discontinued operation</i>			
Revenue reported	-	611	N.M.
Operating profit after tax reported	-	412	N.M.
<u>Second half</u>			
<i>Continuing operations</i>			
Revenue reported	631	5,040	(87)
Operating (loss)/profit after tax reported	(7,043)	8,623	N.M.
<i>Discontinued operation</i>			
Revenue reported	-	-	-
Operating loss after tax reported	-	(3,232)	N.M.
N.M. - Not meaningful			

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17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2022 S\$	FY2021 S\$
Ordinary	-	1,035,688
Preference	-	-
Total	-	1,035,688

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Wong Jr. Winston	44	Son of Prof. Wong Wen-Young Winston, Vice Chairman/ Non-Executive Director and substantial shareholder.	Regional Business Development Manager with effect from February 2009. He is responsible for identifying regional business opportunities and developing short & medium term regional business strategies.	N.A.
Ong Bee Wah	58	Brother of Dato Dr. Ong Bee Huat, Chief Executive Officer, Executive Deputy Chairman and substantial shareholder.	Operational Director in Cambodia. He is responsible for operations and sales for Agriculture business.	N.A.
Ong Jia Ming	30	Son of Dato Dr. Ong Bee Huat, Chief Executive Officer, Executive Deputy Chairman and substantial shareholder.	Executive Director with effect from October 2016. He is responsible for group strategies and business development.	N.A.
Ong Jia Jing	29	Son of Dato Dr. Ong Bee Huat, Chief Executive Officer, Executive Deputy Chairman and substantial shareholder.	Group General Manager and Executive Director with effect from September 2020. He is responsible for the group agriculture division.	N.A.

19. Use of proceeds

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

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

Use of net proceeds	Allocation of net proceeds as disclosed in the Offer Information Statement (S\$' million)	Net proceeds utilised as per earlier announcement (S\$' million)	Net proceeds utilised as at date of this announcement (S\$' million)	Net proceeds balance as at date of this announcement (S\$' million)
Repayment of the Outstanding Indebtedness to the Undertaking Shareholder	14.4	(14.4)	-	-
Project development cost for on-going 2 nd mixed-use development project, Royal Platinum, located in Toul Kork	4.6	(4.6)	-	-
New project land and development cost for the 3 rd mixed-use development project located in Toul Kork	4.7	(4.7)	-	-
General working capital	2.7	-	(2.7) ⁽¹⁾	-
Net proceeds	26.4	(23.7)	(2.7)	-

Note:

- (1) The balance proceeds of S\$2.7 million for general working capital have been utilised for (i) repayment of bank loans of approximately S\$1.1 million; (ii) overhead expenses of approximately S\$1.3 million; and (iii) other operating expenses of approximately S\$0.3 million.

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

BY ORDER OF THE BOARD

Dato' Dr Ong Bee Huat
Executive Deputy Chairman and Group Chief Executive Officer
28 February 2023