



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 2023 (“FY2023”)

CONTENTS

Condensed consolidated statement of comprehensive income	1
Condensed statement of financial position	2
Condensed consolidated statement of changes in equity	3
Condensed consolidated statement of cash flows	5
Notes to the condensed financial statements	7
Other information required by Listing Rule Appendix 7.2	17

HONG LAI HUAT GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2023

	Note	Group 12 months ended 31 December		Change %
		FY 2023 (Unaudited) S\$'000	FY 2022 (Audited) S\$'000	
Revenue	3	267	1,641	-84%
Cost of sales		(267)	(964)	-72%
Gross profit		-	677	-100%
Other income		1,110	2,400	-54%
Distribution and selling expenses		(49)	(127)	-61%
Administrative expenses		(6,753)	(8,330)	-19%
Impairment loss on financial assets		(124)	(378)	-67%
Impairment loss on property, plant and equipment		(364)	(3,500)	-90%
Impairment loss on right-of-use assets		(13,285)	-	N.M.
Impairment loss on development properties		(1,097)	-	N.M.
Fair value loss on biological assets		(1,175)	(3,360)	-65%
Other expenses		(1,396)	(576)	142%
Finance costs		(789)	(217)	264%
Share of profit of joint venture		3,515	695	406%
Share of loss of associate		(101)	-	N.M.
Loss before income tax	4	(20,508)	(12,716)	61%
Income tax credit	5	2,200	2,314	-5%
Loss for the year		(18,308)	(10,402)	76%
Other comprehensive (loss) income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Currency translation differences arising on consolidation		(253)	(659)	
Share of other comprehensive loss of joint venture		(496)	(244)	
Share of other comprehensive income of associate		78	-	
Other comprehensive loss for the year, net of tax		(671)	(903)	
Total comprehensive loss for the year		(18,979)	(11,305)	
Loss attributable to:				
Equity holders of the company		(18,308)	(10,402)	
Non-controlling interests		-	-	
		(18,308)	(10,402)	
Total comprehensive loss attributable to:				
Equity holders of the company		(18,979)	(11,305)	
Non-controlling interests		-	-	
		(18,979)	(11,305)	

Note:

N.M. - Not meaningful

HONG LAI HUAT GROUP LIMITED

CONDENSED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	Group		Company	
		31-12-23	31-12-22	31-12-23	31-12-22
		(Unaudited) S\$'000	(Audited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000
<u>Current assets</u>					
Cash and bank balances		3,935	11,635	253	540
Trade receivables		173	438	-	-
Other receivables and deposits		776	802	4	3
Prepayments		360	467	75	96
Amounts due from subsidiaries		-	-	76,322	67,000
Financial assets at fair value through profit or loss		40	-	-	-
Inventories		91	110	-	-
Biological assets	6	339	1,499	-	-
Development properties	7	45,922	47,711	-	-
Total current assets		<u>51,636</u>	<u>62,662</u>	<u>76,654</u>	<u>67,639</u>
<u>Non-current assets</u>					
Other receivables and deposits		40	40	-	-
Prepayments		-	6,955	-	-
Property, plant and equipment	8	5,125	6,536	402	435
Right-of-use assets	9	46,502	62,211	-	-
Investment in joint venture		29,986	20,274	-	-
Investment in associates		7,395	2	-	-
Investment in subsidiaries		-	-	59,507	93,901
Financial assets at fair value through profit or loss		243	243	243	243
Total non-current assets		<u>89,291</u>	<u>96,261</u>	<u>60,152</u>	<u>94,579</u>
Total assets		<u><u>140,927</u></u>	<u><u>158,923</u></u>	<u><u>136,806</u></u>	<u><u>162,218</u></u>
<u>Liabilities and equity</u>					
<u>Current liabilities</u>					
Trade payables		392	707	-	-
Other payables and accruals		5,697	8,361	315	265
Amounts due to subsidiaries		-	-	29,742	20,699
Income tax payable		125	55	59	-
Bank loans	10	4,045	2,897	1,896	1,368
Lease liabilities	10	144	110	-	-
Loan from controlling shareholder		558	-	400	-
Total current liabilities		<u>10,961</u>	<u>12,130</u>	<u>32,412</u>	<u>22,332</u>
<u>Non-current liabilities</u>					
Bank loans	10	6,285	1,702	434	1,702
Lease liabilities	10	885	835	-	-
Deferred tax liabilities		3,932	6,413	17	17
Total non-current liabilities		<u>11,102</u>	<u>8,950</u>	<u>451</u>	<u>1,719</u>
<u>Capital, reserves and non-controlling interests</u>					
Share capital	11	121,023	121,023	121,023	121,023
Retained earnings		3,703	22,011	(16,621)	17,603
Capital reserve		414	414	(459)	(459)
Foreign currency translation reserve		(6,276)	(5,605)	-	-
Total equity		<u>118,864</u>	<u>137,843</u>	<u>103,943</u>	<u>138,167</u>
Total liabilities and equity		<u><u>140,927</u></u>	<u><u>158,923</u></u>	<u><u>136,806</u></u>	<u><u>162,218</u></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 2023

	Attributable to owners of the company					Total equity S\$'000
	Share capital	Retained earnings	Capital reserve	Asset revaluation reserve	Currency translation reserve	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Group						
At 1 January 2022 (audited)	121,023	33,449	414	-	(4,702)	150,184
Total comprehensive loss for the financial year:						
Loss for the financial year	-	(10,402)	-	-	-	(10,402)
<i>Other comprehensive loss:</i>						
Currency translation differences arising on consolidation	-	-	-	-	(659)	(659)
Share of other comprehensive loss of joint venture	-	-	-	-	(244)	(244)
Total	-	(10,402)	-	-	(903)	(11,305)
Transactions with owners, recognised directly in equity:						
Dividend paid	-	(1,036)	-	-	-	(1,036)
Balance at 31 December 2022 (audited)	121,023	22,011	414	-	(5,605)	137,843
At 1 January 2023 (audited)	121,023	22,011	414	-	(5,605)	137,843
Total comprehensive (loss) income for the financial year:						
Loss for the financial year	-	(18,308)	-	-	-	(18,308)
<i>Other comprehensive (loss) income:</i>						
Currency translation differences arising on consolidation	-	-	-	-	(253)	(253)
Share of other comprehensive loss of joint venture	-	-	-	-	(496)	(496)
Share of other comprehensive income of associate	-	-	-	-	78	78
Total	-	(18,308)	-	-	(671)	(18,979)
Balance at 31 December 2023 (unaudited)	121,023	3,703	414	-	(6,276)	118,864

The accompanying notes form an integral part of these financial statements

HONG LAI HUAT GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
For the financial year ended 31 December 2023

	Share capital	Retained earnings	Capital reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Company</u>				
At 1 January 2022 (audited)	121,023	24,790	(459)	145,354
Total comprehensive loss for the financial year:				
Loss for the financial year	-	(6,151)	-	(6,151)
Transactions with owners, recognised directly in equity:				
Dividend paid	-	(1,036)	-	(1,036)
Balance at 31 December 2022 (audited)	<u>121,023</u>	<u>17,603</u>	<u>(459)</u>	<u>138,167</u>
At 1 January 2023 (audited)	121,023	17,603	(459)	138,167
Total comprehensive loss for the financial year:				
Loss for the financial year	-	(34,224)	-	(34,224)
Balance at 31 December 2023 (unaudited)	<u>121,023</u>	<u>(16,621)</u>	<u>(459)</u>	<u>103,943</u>

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 2023

	Note	Group	
		12 months ended 31 December	
		FY 2023 (Unaudited) S\$'000	FY 2022 (Audited) S\$'000
Operating activities			
Loss before tax		(20,508)	(12,716)
Adjustments for:			
Depreciation of property, plant and equipment	8	636	1,285
Depreciation of right-of-use assets	9	1,923	1,930
Fair value loss on biological assets	6	1,175	3,360
Gain on disposal of property, plant and equipment		(3)	(37)
Gain on disposal of right-of-use assets		-	(92)
Impairment loss on financial assets		124	378
Impairment loss on development properties		1,097	-
Impairment loss on property, plant and equipment		364	3,500
Impairment loss on right-of-use assets		13,285	-
(Gain) loss on change in fair value of financial assets at fair value through profit or loss		(40)	100
Net loss (gain) on repossession of development properties		48	(56)
Foreign exchange adjustments		136	233
Interest income		(104)	(551)
Interest expense		789	217
Share of profit of joint venture		(3,515)	(695)
Share of profit of associate		101	-
Property, plant and equipment written-off		352	-
Operating cash flows before movement in working capital		(4,140)	(3,144)
Trade receivables and contract assets		97	3,954
Other receivables and deposits		11	93
Prepayments		102	290
Inventories		17	(15)
Biological assets		(20)	272
Development properties		-	5
Trade payables and contract liabilities		(303)	(258)
Other payables and accruals		(2,445)	1,101
Currency translation adjustments		1,229	(393)
Cash (used in) generated from operations		(5,452)	1,905
Income tax paid		(1)	(45)
Net cash (used in) from operating activities		(5,453)	1,860
Investing activities			
Investment in joint venture		(6,693)	(7,602)
Prepayments for investment in associate		-	(6,955)
Investment in associate		(460)	-
Interest received		104	551
Purchase of property, plant and equipment	8	(383)	(580)
Proceeds on disposal of property, plant and equipment		379	62
Proceeds on disposal of right-of-use assets		-	140
Net cash used in investing activities		(7,053)	(14,384)
Financing activities			
Dividend paid		-	(1,036)
Purchase of right-of-use assets (Note A)	9	(105)	-
Proceeds from bank loans		6,596	-
Proceeds from controlling shareholder loan		400	-
Repayment of bank loans		(1,651)	(1,935)
Repayment of lease liabilities		(127)	(118)
Interest paid		(789)	(217)
Net cash from (used in) financing activities		4,324	(3,306)
Net decrease in cash and cash equivalents		(8,182)	(15,830)
Effect of exchange rate changes on balances held in foreign currencies		(307)	(136)
Cash and cash equivalents at beginning of year		10,106	26,072
Cash and cash equivalents at end of year		1,617	10,106

The accompanying notes form an integral part of these financial statements

HONG LAI HUAT GROUP LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd) For the financial year ended 31 December 2023

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

	Group	
	12 months ended 31 December	
	FY 2023 (Unaudited) S\$'000	FY 2022 (Audited) S\$'000
Cash at bank and on hand	1,647	4,897
Short-term fixed deposits with financial institutions	2,288	6,738
Cash and cash equivalents	<u>3,935</u>	<u>11,635</u>
Less: Bank overdrafts	<u>(2,318)</u>	<u>(1,529)</u>
Cash and cash equivalents per consolidated statement of cash flows	<u>1,617</u>	<u>10,106</u>
<u>Note A: Purchase of right-of-use assets</u>		
Aggregate cost of right-of-use assets acquired	262	-
Less: New lease liabilities	<u>(157)</u>	<u>-</u>
Net cash outflow for purchase of right-of-use assets	<u>105</u>	<u>-</u>

The accompanying notes form an integral part of these financial statements

HONG LAI HUAT GROUP LIMITED

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 financial statements for the full year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and financial performance of the Group since the last annual financial statements for the year ended 31 December 2022.

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

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

New and revised standards that are adopted

In the current financial 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 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 ended 31 December 2023 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 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 year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

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

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3 in our financial year ended 31 December 2022 Annual Report.

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	
		12 months ended 31 December	
Timing of revenue recognition		FY 2023 (Unaudited) S\$'000	FY 2022 (Audited) S\$'000
<u>Recognised at a point of time</u>			
Sale of crops	Cambodia	451	973
Sale of completed development properties	Cambodia	(184) *	668
		267	1,641

* Derecognition of revenue on repossession of a development property previously recognised.

HONG LAI HUAT GROUP LIMITED

3. REVENUE (cont'd)

(b) Segmentation information

(Unaudited) 12 months ended 31 December 2023	Agriculture <u>division</u> S\$'000	Property development and real estate <u>division</u> S\$'000	<u>Others</u> S\$'000	<u>Elimination</u> S\$'000	<u>Group</u> S\$'000
Revenue:					
External sales	451	(184)	-	-	267
Inter-segment sales	50	-	2,000	(2,050)	-
	<u>501</u>	<u>(184)</u>	<u>2,000</u>	<u>(2,050)</u>	<u>267</u>
Results:					
Interest income from bank deposits	-	103	1	-	104
Gain on disposal of property, plant and equipment	3	-	-	-	3
Impairment loss on financial assets	-	(124)	-	-	(124)
Impairment loss on property, plant and equipment	(364)	-	-	-	(364)
Impairment loss on right-of-use assets	(13,285)	-	-	-	(13,285)
Impairment loss on development properties	-	(1,097)	-	-	(1,097)
Fair value loss on biological assets	(1,175)	-	-	-	(1,175)
Gain on change in fair value of financial assets at fair value through profit or loss	-	40	-	-	40
Property, plant and equipment written-off	(352)	-	-	-	(352)
Depreciation expense	(2,188)	(219)	(152)	-	(2,559)
Finance costs	(73)	(608)	(108)	-	(789)
Income tax (expense) credit	2,122	137	(59)	-	2,200
Share of profit of joint venture	-	3,515	-	-	3,515
Share of loss of associate	-	(101)	-	-	(101)
Segment (loss) profit	<u>(16,593)</u>	<u>(1,141)</u>	<u>170</u>	<u>(744)</u>	<u>(18,308)</u>
Assets:					
Additions to non-current assets	306	221	118	-	645
Investment in joint venture	-	29,986	-	-	29,986
Investment in associate	-	7,395	-	-	7,395
Segment assets	<u>51,916</u>	<u>88,035</u>	<u>976</u>	<u>-</u>	<u>140,927</u>
Segment liabilities	<u>(5,399)</u>	<u>(13,545)</u>	<u>(3,119)</u>	<u>-</u>	<u>(22,063)</u>

HONG LAI HUAT GROUP LIMITED

3. REVENUE (cont'd)

(b) Segmentation information

(Audited) 12 months ended 31 December 2022	Agriculture division S\$'000	Property development and real estate division S\$'000	Others S\$'000	Elimination S\$'000	Group S\$'000
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 from bank deposits	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 biological assets	(3,360)	-	-	-	(3,360)
Impairment loss on financial assets	(378)	-	-	-	(378)
Impairment loss on property, plant and equipment	(3,500)	-	-	-	(3,500)
Depreciation expense	(2,859)	(221)	(135)	-	(3,215)
Finance costs	(71)	(16)	(130)	-	(217)
Income tax credit (expense)	2,405	(65)	(26)	-	2,314
Share of profit of joint venture	-	695	-	-	695
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	406	-	580
Investment in joint venture	-	20,274	-	-	20,274
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>

HONG LAI HUAT GROUP LIMITED

3. REVENUE (cont'd)

(c) Geographical information

	Revenue		Non-Current Assets	
	12 months ended 31 December			
	FY 2023 (Unaudited) S\$'000	FY 2022 (Audited) S\$'000	FY 2023 (Unaudited) S\$'000	FY 2022 (Audited) S\$'000
Singapore	-	-	1,335	1,580
Cambodia	267	1,641	87,673	94,398
Total	267	1,641	89,008	95,978

4. Loss before income tax

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

	Group	
	12 months ended 31 December	
	FY 2023 (Unaudited) S\$'000	FY 2022 (Audited) S\$'000
Depreciation of property, plant and equipment	636	1,285
Depreciation of right-of-use assets	1,923	1,930
Forfeiture of deposits from property sales	(27)	(91)
Gain on disposal of property, plant and equipment	(3)	(37)
Gain on disposal of right-of-use assets	-	(92)
Government grants	(5)	(35)
Interest income from bank deposits	(104)	(551)
Impairment loss on financial assets	124	378
Impairment loss on property, plant and equipment	364	3,500
Impairment loss on right-of-use assets	13,285	-
Impairment loss on development properties	1,097	-
Fair value loss on biological assets	1,175	3,360
Fair value (gain) loss on financial assets at fair value through profit or loss	(40)	100
Rental income	(780)	(930)
Property, plant and equipment written-off	352	-
Net foreign exchange loss (gain)	1,043	(585)

HONG LAI HUAT GROUP LIMITED**5. Income tax expense (credit)**

	Group	
	12 months ended 31 December	
	FY 2023	FY 2022
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Income tax expense (credit):		
- Current income tax	74	64
- Deferred tax	(3,445)	(2,404)
	<u>(3,371)</u>	<u>(2,340)</u>
Under provision in respect of prior years:		
- Current income tax	59	26
- Deferred tax	1,112	-
	<u>(2,200)</u>	<u>(2,314)</u>

6. Biological assets

	Group	
	FY 2023	FY 2022
	(Unaudited)	(Audited)
	S\$'000	S\$'000
At 1 January	1,499	5,070
Additions to cassava during the year	199	338
Loss on fair value of biological assets	(1,175)	(3,360)
Decrease due to harvest	(180)	(610)
Currency translation differences	(4)	61
At 31 December	<u>339</u>	<u>1,499</u>

Valuation of biological assets

The fair values of the Group's biological assets at 31 December 2023 and 31 December 2022 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.

7. Development properties

	Group	
	FY 2023 (Unaudited) S\$'000	FY 2022 (Audited) S\$'000
Development properties		
- Freehold land	28,539	30,118
- Development costs	144	144
	28,683	30,262
Completed development properties held for sale	17,239	17,449
	45,922	47,711

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

The costs of completed development properties held for sale include:

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

Net realisable value of completed development properties held for sale is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting 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 31 December 2023 and 31 December 2022 have been determined on the basis of valuations carried out by independent professional valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

HONG LAI HUAT GROUP LIMITED

8. Property, plant and equipment

	<u>Group</u>
	FY 2023
	(Unaudited)
	S\$'000
Group	
Cost	
At 1 January 2023 (audited)	25,498
Additions	383
Disposals	(3,650)
Written off	(352)
Currency translation differences	(387)
At 31 December 2023 (unaudited)	<u>21,492</u>
Accumulated depreciation	
At 1 January 2023 (audited)	18,962
Depreciation	636
Disposals	(3,275)
Impairment loss	364
Currency translation differences	(320)
At 31 December 2023 (unaudited)	<u>16,367</u>
Net carrying value	
At 31 December 2022 (audited)	<u>6,536</u>
At 31 December 2023 (unaudited)	<u>5,125</u>

9. Right-of-use assets

	<u>Group</u>
	FY 2023
	(Unaudited)
	S\$'000
Group	
Cost	
At 1 January 2023 (audited)	72,252
Additions	262
Currency translation differences	(1,191)
At 31 December 2023 (unaudited)	<u>71,323</u>
Accumulated depreciation	
At 1 January 2023 (audited)	10,041
Depreciation	1,923
Impairment loss	13,285
Currency translation differences	(428)
At 31 December 2023 (unaudited)	<u>24,821</u>
Net carrying value	
At 31 December 2022 (audited)	<u>62,211</u>
At 31 December 2023 (unaudited)	<u>46,502</u>

HONG LAI HUAT GROUP LIMITED

10. Loans and borrowings

	Group	
	FY 2023	FY 2022
	(Unaudited) S\$'000	(Audited) S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	4,189	3,007
 <u>Amount repayable after one year</u>		
Secured	7,170	2,537

As at 31 December 2023, secured borrowings were secured by:

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

11. Share capital

	Group and Company			
	FY 2023		FY 2022	
	(Unaudited)		(Audited)	
	Number of issued shares	Issued share capital S\$'000	Number of issued shares	Issued share capital S\$'000
At 1 January and 31 December	517,844,114	121,023	517,844,114	121,023

(i) Issued and Paid-Up Capital

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

(ii) Treasury Shares

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

(iii) Subsidiary Holdings

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

12. Subsequent events

The Company refers announcement on 5 February 2024, the proposed disposal of HLH Agriculture (Cambodia) Co Ltd (“HLHA”) and HLHI (Cambodia) Company Limited (“HLHI”). The Company’s wholly owned subsidiary, HLH Agri International Pte Ltd (“Seller”) has entered into a sale and purchase agreement with the Purchaser pursuant to which the Seller has agreed to sell to the Purchaser, in exchange for payment in cash of:

- US\$1,500,000 for 100% of the entire issued share capital of HLHI, and
- US\$36,000,000 for 100% of the entire issued share capital of HLHA.

The Company intends to seek the approval of the shareholders of the Company at an extraordinary general meeting.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

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

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

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

Not applicable.

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

Not applicable.

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

Except as disclosed in Note 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 31 December 2022.

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

The Group adopted the new/revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are effective for annual periods beginning on or after 1 January 2023. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

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

HONG LAI HUAT GROUP LIMITED

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	
	12 months ended 31 December	
	FY 2023 Singapore Cents	FY 2022 Singapore Cents
Earnings per ordinary share attributable to owners of the parent for:		
- Basic	(3.54)	(2.01)
- Diluted	(3.54)	(2.01)

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 31 December 2023 and 31 December 2022 respectively.

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

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

	Group		Company	
	FY 2023 Singapore Cents	FY 2022 Singapore Cents	FY 2023 Singapore Cents	FY 2022 Singapore Cents
Net asset value per ordinary share based on issued share capital	22.95	26.62	20.07	26.68

Net asset value per ordinary share was calculated based on the number of ordinary shares in issue of 517,844,114 as at 31 December 2023 and 31 December 2022 respectively.

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

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

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

8(a) Group performance review

Condensed consolidated statement of comprehensive income

Revenue and Gross profit

	Sale	Cost of sale	Gross profit	Gross profit margin	
	S\$'000	S\$'000	S\$'000	%	
<u>FY 2023 (Unaudited)</u>					
Crops	451	(348)	103	23%	(A)
Completed development properties	(184) *	81 *	(103)	NA	(B)
Total	<u>267</u>	<u>(267)</u>	<u>-</u>	NA	
<u>FY 2022 (Audited)</u>					
Crops	973	(735)	238	24%	
Completed development properties	668	(229)	439	66%	
Total	<u>1,641</u>	<u>(964)</u>	<u>677</u>	41%	

* Negative revenue relates to derecognition of revenue and corresponding cost of sale on repossession of a development property previously recognised.

Revenue decreased by S\$1.3 million from S\$1.6 million in FY2022 to S\$0.3 million in FY2023, mainly due to zero property sales in Cambodia and lower sales from agriculture division.

(A) Cassava revenue decreased by S\$0.5 million as compared to FY 2022, mainly due to a lower harvest yield in FY 2023. The gross profit margin has remained fairly consistent at 23% as compared to 24% in FY 2022.

(B) Negative sentiments of kidnapping, human trafficking and industrial-scale scam centres in Preah Sihanouk Province, Cambodia have affected our sales significantly in FY2023 for the Group's D'Seaview project, resulting in zero property sales in FY 2023.

Other income

Other income decreased by S\$1.3 million from S\$2.4 million in FY2022 to S\$1.1 million in FY2023, mainly due to lower interest income from bank deposits and rental income.

Administrative expenses

Administrative expenses decreased by S\$1.5 million from S\$8.3 million in FY2022 to S\$6.8 million in FY2023, mainly due to higher depreciation and professional fees incurred in FY2022.

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

Condensed consolidated statement of comprehensive income

**Impairment loss on property, plant and equipment
Impairment loss on right-of-use assets**

Recognising impairment losses of S\$0.4 million and S\$13.3 million for property, plant and equipment's carrying amount and right-of-use assets' carrying amount respectively, triggered by a decrease in the fair value resulting from the proposed disposal of HLH Agriculture (Cambodia) Co Ltd (Note 10).

Impairment loss on development properties

Recognising an impairment loss of S\$1.1 million for freehold land's carrying amount triggered by a decrease in the fair value.

Other expenses

Other expenses increased by S\$0.8 million from S\$0.6 million in FY2022 to S\$1.4 million in FY2023, mainly due to foreign exchange losses and property, plant and equipment written-off.

Share of profit of joint venture

Share of profit of joint venture increased by S\$2.8 million from S\$0.7 million in FY2022 to S\$3.5 million in FY2023, mainly due to higher property sales from the Group's Royal Platinum project in Phnom Penh, Kingdom of Cambodia.

Loss for the year

The Group reported S\$18.3 million loss attributable to equity holders of the Company in FY2023 as compared to S\$10.4 million loss in FY2022.

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

Condensed consolidated statement of cash flows

Net cash used in operating activities was S\$5.5 million for FY2023, mainly due to lower revenue owing to a reduction in property and agriculture sales.

Net cash used in investing activities was S\$7.1 million for FY2023, mainly due to investment in joint venture.

Net cash from financing activities was S\$4.3 million for FY2023, mainly due to drawn down of new bank loans and loan from controlling shareholder.

As a result, the balance of cash and cash equivalents at the end of FY2023 decreased by S\$8.5 million as compared to the end of previous year, to S\$1.6 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 decreased by S\$18 million to S\$141.2 million.

Assets

Biological assets decreased mainly due to fair value loss.

Development properties decreased mainly due to recognising an impairment loss.

Property, plant and equipment decreased mainly due to recognising an impairment loss and leasehold improvements written-off.

Right-of-use assets decreased mainly due to recognising an impairment loss.

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

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

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

Total Liabilities

Total Group liabilities increased by S\$1 million to S\$22.1 million.

Liabilities

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

Borrowings increased mainly due to drawn down of new bank loans and loan from controlling shareholder.

Lease liabilities increased mainly due to purchase of motor vehicle.

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

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

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Agriculture Division

The Company refers announcement on 5 February 2024, the proposed disposal of HLH Agriculture (Cambodia) Co Ltd (“HLHA”) and HLHI (Cambodia) Company Limited (“HLHI”). The Company’s wholly owned subsidiary, HLH Agri International Pte Ltd (“Seller”) has entered into a sale and purchase agreement with the Purchaser pursuant to which the Seller has agreed to sell to the Purchaser, in exchange for payment in cash of:

- US\$1,500,000 for 100% of the entire issued share capital of HLHI, and
- US\$36,000,000 for 100% of the entire issued share capital of HLHA.

The Company intends to seek the approval of the shareholders of the Company at an extraordinary general meeting.

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 FY2023.

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

Not applicable as no final dividend has been declared or recommended for FY2023.

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

No final dividend has been declared or recommended for FY2022.

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

Not applicable as no final dividend has been declared or recommended for FY2023.

(d) The date the dividend is payable.

Not applicable as no final dividend has been declared or recommended for FY2023.

(e) Book closure date

Not applicable as no final dividend has been declared or recommended for FY2023.

HONG LAI HUAT GROUP LIMITED

- 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 year 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. 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.

- 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		
	FY 2023 S\$'000	FY 2022 S\$'000	Change %
First half			
Revenue reported	214	640	-67%
Operating loss after tax reported	(2,399)	(3,359)	-29%
Second half			
Revenue reported	53	1,001	-95%
Operating loss after tax reported	(15,909)	(7,043)	126%

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

	FY 2023 S\$	FY 2022 S\$
Ordinary	-	-
Preference	-	-
Total:	-	-

HONG LAI HUAT GROUP LIMITED

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	45	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	59	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	31	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	30	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.

BY ORDER OF THE BOARD

Dato' Dr Ong Bee Huat
 Executive Deputy Chairman and Group Chief Executive Officer
 28 February 2024