



Hiap Hoe Limited
(Registration No.: 199400676Z)

Condensed Consolidated Interim Financial Statements
for the Second Half Year and Full Year Ended 31
December 2022

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**A. Condensed interim consolidated income statement
For the second half year and full year ended 31 December 2022**

	Note	The Group					
		6 months ended			12 months ended		
		31-Dec-22	31-Dec-21	%	31-Dec-22	31-Dec-21	%
	\$'000	\$'000		\$'000	\$'000		
Revenue	4	70,710	48,320	46.3	119,399	93,688	27.4
Other items of income							
Dividend income		3,811	3,392	12.4	8,027	7,057	13.7
Interest income		1,885	1,409	33.8	3,253	2,816	15.5
Other income	7A	4,642	24,964	(81.4)	20,567	29,507	(30.3)
Impairment loss on trade receivables written back		136	49	177.6	189	135	40.0
Foreign exchange (loss)/gain		(3,444)	431	NM	(3,205)	1,592	NM
		7,030	30,245	(76.8)	28,831	41,107	(29.9)
Changes in completed properties for sale		(289)	(337)	(14.2)	(289)	(2,206)	(86.9)
Employee benefits expense		(17,433)	(14,287)	22.0	(30,978)	(27,117)	14.2
Depreciation expense	7B	(17,207)	(17,577)	(2.1)	(34,739)	(35,173)	(1.2)
Other expenses	7C	(32,961)	(23,338)	41.2	(56,706)	(45,648)	24.2
Finance cost		(13,316)	(5,408)	146.2	(19,922)	(10,889)	83.0
Fair value changes in financial instruments	7D	(16,543)	256	NM	(29,162)	13,899	NM
Impairment loss on trade receivables		(20)	(165)	(87.9)	(43)	(1,125)	(96.2)
(Loss)/profit before tax		(20,029)	17,709	NM	(23,609)	26,536	NM
Income tax credit/(expense)	9	219	(3,944)	NM	1,477	(5,344)	NM
(Loss)/profit for the period		(19,810)	13,765	NM	(22,132)	21,192	NM
Attributable to :							
Owners of the Company		(19,757)	13,797	NM	(22,001)	21,197	NM
Non-controlling interests		(53)	(32)	65.6	(131)	(5)	NM
Total		(19,810)	13,765	NM	(22,132)	21,192	NM
Earnings per share (cents)							
Basic		(4.19)	2.93		(4.67)	4.50	
Diluted		(4.19)	2.93		(4.67)	4.50	

Earnings per share are calculated based on the net (loss)/profit attributable to owners of the Company divided by the weighted average number of shares.

**B. Condensed interim consolidated statement of comprehensive income
For the second half year and full year ended 31 December 2022**

	The Group			
	6 months ended		12 months ended	
	31-Dec-22 \$'000	31-Dec-21 \$'000	31-Dec-22 \$'000	31-Dec-21 \$'000
(Loss)/profit for the period	(19,810)	13,765	(22,132)	21,192
Other comprehensive (loss)/income items that may be reclassified subsequently to income statement				
Foreign currency translation	(5,589)	(3,645)	(8,536)	(3,964)
Exchange differences realised on de-registration of subsidiary recycled to profit or loss	-	-	-	185
Other comprehensive loss for the period, net of tax of nil	(5,589)	(3,645)	(8,536)	(3,779)
Total comprehensive (loss)/income for the period	<u>(25,399)</u>	<u>10,120</u>	<u>(30,668)</u>	<u>17,413</u>
Attributable to :				
Owners of the Company	(25,346)	10,152	(30,537)	17,418
Non-controlling interests	(53)	(32)	(131)	(5)
Total comprehensive (loss)/income for the period	<u>(25,399)</u>	<u>10,120</u>	<u>(30,668)</u>	<u>17,413</u>

C. Condensed interim statements of financial position As at 31 December 2022

	Note	The Group		The Company	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		\$'000	\$'000	\$'000	\$'000
Non-Current Assets					
Property, plant and equipment	12	607,691	637,204	-	-
Investment properties	13	571,784	594,229	-	-
Subsidiaries		-	-	595,691	595,141
Joint venture		-	-	25,486	22,857
Other receivables		2,964	401	-	-
Lease incentives		11,525	13,909	-	-
Deferred tax assets		14,159	12,729	-	-
		<u>1,208,123</u>	<u>1,258,472</u>	<u>621,177</u>	<u>617,998</u>
Current Assets					
Cash and short-term deposits		50,001	29,580	584	155
Other investments	5	297,168	315,565	-	-
Trade and other receivables		6,430	9,592	-	-
Lease incentives		1,369	1,477	-	-
Other assets		280	337	-	-
Derivatives - assets	5	200	61	-	-
Prepaid operating expenses		1,739	1,505	5	6
Due from subsidiaries, trade		-	-	585	624
Due from subsidiaries, non-trade		-	-	18,291	19,877
Completed properties for sale		1,844	2,282	-	-
Inventories		2,790	2,820	-	-
		<u>361,821</u>	<u>363,219</u>	<u>19,465</u>	<u>20,662</u>
Asset held-for-sale		-	6,971	-	-
		<u>361,821</u>	<u>370,190</u>	<u>19,465</u>	<u>20,662</u>
Current Liabilities					
Trade and other payables		8,927	4,573	98	55
Other liabilities		12,488	10,969	961	458
Derivatives - liabilities	5	66	289	-	-
Due to subsidiaries, trade		-	-	-	9
Due to subsidiaries, non-trade		-	-	133,243	129,965
Due to related companies, trade		-	11	-	-
Due to related companies, non-trade		8	12	-	-
Interest-bearing loans and borrowings	14	387,015	373,141	-	-
Tax payable		3,499	3,229	133	213
		<u>412,003</u>	<u>392,224</u>	<u>134,435</u>	<u>130,700</u>
Net Current Liabilities ^A		(50,182)	(22,034)	(114,970)	(110,038)
Non-Current Liabilities					
Other liabilities		3,251	2,352	-	-
Other payables		-	592	-	-
Interest-bearing loans and borrowings	14	356,745	398,436	-	-
Deferred tax liabilities		76,314	79,194	-	-
		<u>436,310</u>	<u>480,574</u>	<u>-</u>	<u>-</u>
Net Assets		721,631	755,864	506,207	507,960
Equity attributable to owners of the Company					
Share capital	15	84,445	84,445	84,445	84,445
Treasury shares	16	(1,101)	(1,101)	(1,101)	(1,101)
Reserves		635,102	669,168	422,863	424,616
		<u>718,446</u>	<u>752,512</u>	<u>506,207</u>	<u>507,960</u>
Non-controlling interests		3,185	3,352	-	-
Total Equity		721,631	755,864	506,207	507,960

^(A) The Group and the Company are in a net current liabilities position mainly due to maturity of borrowings within the next 12 months. The Group and the Company have unutilised credit facilities available to refinance the portion of borrowings which are maturing within the next 12 months.

D. Condensed interim statements of changes in equity
For the period from 1 July 2022 to 31 December 2022 and 1 July 2021 to 31 December 2021

	Attributable to equity holders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Accumulated profits	Capital reserve	Foreign currency reserve	Gain on reissuance of treasury shares	Total reserves			
The Group (All figures in \$'000)										
At 1 July 2022	84,445	(1,101)	692,800	(7,672)	(23,556)	52	661,624	744,968	3,274	748,242
Loss for the period	-	-	(19,757)	-	-	-	(19,757)	(19,757)	(53)	(19,810)
Foreign currency translation	-	-	-	-	(5,589)	-	(5,589)	(5,589)	-	(5,589)
Other comprehensive loss net of tax of nil	-	-	-	-	(5,589)	-	(5,589)	(5,589)	-	(5,589)
Total comprehensive loss for the period	-	-	(19,757)	-	(5,589)	-	(25,346)	(25,346)	(53)	(25,399)
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	(1,176)	-	-	-	(1,176)	(1,176)	-	(1,176)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(36)	(36)
Total contributions by and distributions to owners	-	-	(1,176)	-	-	-	(1,176)	(1,176)	(36)	(1,212)
At 31 December 2022	84,445	(1,101)	671,867	(7,672)	(29,145)	52	635,102	718,446	3,185	721,631
At 1 July 2021	84,445	(1,101)	683,600	(7,672)	(16,964)	52	659,016	742,360	3,387	745,747
Profit for the period	-	-	13,797	-	-	-	13,797	13,797	(32)	13,765
Foreign currency translation	-	-	-	-	(3,645)	-	(3,645)	(3,645)	-	(3,645)
Other comprehensive income net of tax of nil	-	-	-	-	(3,645)	-	(3,645)	(3,645)	-	(3,645)
Total comprehensive income/(loss) for the period	-	-	13,797	-	(3,645)	-	10,152	10,152	(32)	10,120
<u>Contributions by and distributions to owners</u>										
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(3)	(3)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(3)	(3)
At 31 December 2021	84,445	(1,101)	697,397	(7,672)	(20,609)	52	669,168	752,512	3,352	755,864

D. Condensed interim statements of changes in equity (cont'd)

For the period from 1 January 2022 to 31 December 2022 and 1 January 2021 to 31 December 2021

	Attributable to equity holders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Accumulated profits	Capital reserve	Foreign currency reserve	Gain on reissuance of treasury shares	Total reserves			
The Group (All figures in \$'000)										
At 1 January 2022	84,445	(1,101)	697,397	(7,672)	(20,609)	52	669,168	752,512	3,352	755,864
Loss for the year	-	-	(22,001)	-	-	-	(22,001)	(22,001)	(131)	(22,132)
Foreign currency translation	-	-	-	-	(8,536)	-	(8,536)	(8,536)	-	(8,536)
Other comprehensive loss net of tax of nil	-	-	-	-	(8,536)	-	(8,536)	(8,536)	-	(8,536)
Total comprehensive loss for the year	-	-	(22,001)	-	(8,536)	-	(30,537)	(30,537)	(131)	(30,668)
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	(3,529)	-	-	-	(3,529)	(3,529)	-	(3,529)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(36)	(36)
Total contributions by and distributions to owners	-	-	(3,529)	-	-	-	(3,529)	(3,529)	(36)	(3,565)
At 31 December 2022	84,445	(1,101)	671,867	(7,672)	(29,145)	52	635,102	718,446	3,185	721,631
At 1 January 2021	84,445	(1,101)	678,553	(7,672)	(16,830)	52	654,103	737,447	3,361	740,808
Profit for the year	-	-	21,197	-	-	-	21,197	21,197	(5)	21,192
Foreign currency translation	-	-	-	-	(3,964)	-	(3,964)	(3,964)	-	(3,964)
Exchange differences realised on de-registration of subsidiary recycled to profit or loss	-	-	-	-	185	-	185	185	-	185
Other comprehensive loss net of tax of nil	-	-	-	-	(3,779)	-	(3,779)	(3,779)	-	(3,779)
Total comprehensive income/(loss) for the year	-	-	21,197	-	(3,779)	-	17,418	17,418	(5)	17,413
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	(2,353)	-	-	-	(2,353)	(2,353)	-	(2,353)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(4)	(4)
Total contributions by and distributions to owners	-	-	(2,353)	-	-	-	(2,353)	(2,353)	(4)	(2,357)
At 31 December 2021	84,445	(1,101)	697,397	(7,672)	(20,609)	52	669,168	752,512	3,352	755,864

D. Condensed interim statements of changes in equity (cont'd)

For the period from 1 July 2022 to 31 December 2022 and 1 July 2021 to 31 December 2021

<u>The Company</u> (All figures in \$'000)	Share capital	Treasury shares	Accumulated profits	Gain on reissuance of treasury shares	Total reserves	Total equity
At 1 July 2022	84,445	(1,101)	422,627	52	422,679	506,023
Profit for the period	-	-	1,360	-	1,360	1,360
Total comprehensive income for the period	-	-	1,360	-	1,360	1,360
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	(1,176)	-	(1,176)	(1,176)
Total contributions by and distribution to owners	-	-	(1,176)	-	(1,176)	(1,176)
At 31 December 2022	84,445	(1,101)	422,811	52	422,863	506,207
At 1 July 2021	84,445	(1,101)	407,414	52	407,466	490,810
Profit for the period	-	-	17,150	-	17,150	17,150
Total comprehensive income for the period	-	-	17,150	-	17,150	17,150
<u>Contributions by and distributions to owners</u>						
Total contributions by and distribution to owners	-	-	-	-	-	-
At 31 December 2021	84,445	(1,101)	424,564	52	424,616	507,960

D. Condensed interim statements of changes in equity (cont'd)

For the period from 1 January 2022 to 31 December 2022 and 1 January 2021 to 31 December 2021

The Company (All figures in \$'000)	Share capital	Treasury shares	Accumulated profits	Gain on reissuance of treasury shares	Total reserves	Total equity
At 1 January 2022	84,445	(1,101)	424,564	52	424,616	507,960
Profit for the year	-	-	1,776	-	1,776	1,776
Total comprehensive income for the year	-	-	1,776	-	1,776	1,776
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	(3,529)	-	(3,529)	(3,529)
Total contributions by and distribution to owners	-	-	(3,529)	-	(3,529)	(3,529)
At 31 December 2022	<u>84,445</u>	<u>(1,101)</u>	<u>422,811</u>	<u>52</u>	<u>422,863</u>	<u>506,207</u>
At 1 January 2021	84,445	(1,101)	409,549	52	409,601	492,945
Profit for the year	-	-	17,368	-	17,368	17,368
Total comprehensive income for the year	-	-	17,368	-	17,368	17,368
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	(2,353)	-	(2,353)	(2,353)
Total contributions by and distribution to owners	-	-	(2,353)	-	(2,353)	(2,353)
At 31 December 2021	<u>84,445</u>	<u>(1,101)</u>	<u>424,564</u>	<u>52</u>	<u>424,616</u>	<u>507,960</u>

E. Condensed interim consolidated statement of cash flows
For the second half year and full year ended 31 December 2022

	The Group			
	6 months ended		12 months ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
(Loss)/profit before taxation	(20,029)	17,709	(23,609)	26,536
Adjustments for:				
Amortisation of deferred income	(39)	(41)	(80)	(84)
Amortisation of deferred government grant income	-	(30)	(365)	(362)
Amortisation of lease incentives	694	601	1,431	601
Depreciation of property, plant and equipment	12,352	12,797	24,992	25,642
Depreciation of investment properties	4,855	4,780	9,747	9,531
Dividend income from investments	(3,811)	(3,392)	(8,027)	(7,057)
Fair value changes in other investments	16,847	(371)	29,448	(13,882)
Fair value changes in derivative instruments	(304)	115	(286)	(17)
Gain on disposal of asset held-for-sale	-	-	(12,910)	-
(Gain)/loss on disposal of property, plant and equipment	(1)	4	(42)	(78)
Impairment loss on trade receivables	20	165	43	1,125
Impairment loss on trade receivables written back	(136)	(49)	(189)	(135)
Finance cost	13,316	5,408	19,922	10,889
Interest income	(1,885)	(1,409)	(3,253)	(2,816)
(Gain)/loss on disposal of other investments	(23)	212	(16)	285
Property, plant and equipment written off	11	11	16	18
Impairment loss on investment property	2,948	-	2,948	-
Write back of impairment loss on investment property	-	(15,570)	-	(15,570)
Write back of impairment loss on property, plant and equipment	(1,305)	(3,339)	(1,305)	(3,339)
Effects of COVID-19 related rent waivers received from lessors	-	(252)	-	(342)
Exchange difference	2,724	(473)	1,935	(1,696)
Operating cash flows before changes in working capital	26,234	16,876	40,400	29,249
<u>Changes in working capital</u>				
(Increase)/decrease in:				
Completed properties for sale	289	337	289	2,206
Inventories	(39)	(13)	(30)	15
Trade and other receivables	(1,260)	(963)	956	(3,990)
Other assets	42	(21)	45	102
Prepaid operating expenses	(524)	(831)	(286)	(304)
Due from related companies, trade	-	-	-	3
Due from related companies, non-trade	-	-	-	4
Increase/(decrease) in:				
Trade and other payables	3,260	387	4,027	1,083
Other liabilities	3,790	3,466	3,300	1,349
Due to related companies, trade	(28)	-	(11)	-
Due to related companies, non-trade	(3)	2	(4)	12
	31,761	19,240	48,686	29,729
Income tax (paid)/refund	(1,058)	2,406	(3,168)	(71)
Net cash flows generated from operating activities carried forward	30,703	21,646	45,518	29,658

**E. Condensed interim consolidated statement of cash flows (cont'd)
For the second half year and full year ended 31 December 2022**

	The Group			
	6 months ended		12 months ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	\$'000	\$'000	\$'000	\$'000
Net cash flows generated from operating activities brought forward	30,703	21,646	45,518	29,658
Cash flows from investing activities				
Interest income received and settlement of derivatives	1,165	963	2,643	2,336
Dividend income received and return of capital	3,407	3,606	8,089	7,342
Purchase of property, plant and equipment ⁽¹⁾	(697)	(306)	(2,344)	(1,335)
Improvements of investment properties ⁽²⁾	-	(469)	-	(891)
Purchase of other investments	(20,205)	(9,196)	(38,395)	(36,446)
Proceeds from disposal of other investments	12,926	8,208	27,297	15,933
Proceeds from disposal of property, plant and equipment	-	1	291	174
Proceeds from disposal of asset held-for-sale	-	-	19,678	-
Purchase option deposits received	103	203	103	203
Payment of upfront lease incentives	-	(799)	-	(16,641)
Net cash flows (used in)/generated from investing activities	(3,301)	2,211	17,362	(29,325)
Cash flow from financing activities				
Acquisition of non-controlling interests	(36)	(3)	(36)	(4)
Interest paid	(11,381)	(4,666)	(17,565)	(9,418)
Changes in cash and bank balances pledged	5,813	(8,361)	8,249	(3,106)
Changes in fixed deposits pledged	(13,925)	(2,011)	(21,898)	(2,021)
Repayment of loans and borrowings	(10,463)	(9,994)	(60,974)	(12,136)
Repayment of principal portion of lease liabilities	(1,743)	(1,334)	(3,484)	(3,012)
Proceeds from loans and borrowings	14,521	8,727	44,386	35,983
Dividends paid on ordinary shares by the Company	(1,176)	-	(3,529)	(2,353)
Net cash flows (used in)/generated from financing activities	(18,390)	(17,642)	(54,851)	3,933
Net increase in cash and cash equivalents	9,012	6,215	8,029	4,266
Effect of exchange rate changes on cash and cash equivalents	(304)	(134)	(468)	(126)
Cash and cash equivalents at beginning of period	10,178	5,244	11,325	7,185
Cash and cash equivalents at end of period	18,886	11,325	18,886	11,325
<u>Cash and cash equivalents comprise:</u>				
Cash and bank balances			15,281	25,562
Fixed deposits			34,720	4,018
			50,001	29,580
Cash and bank balances pledged			(6,081)	(15,119)
Fixed deposits pledged			(25,034)	(3,136)
			18,886	11,325

(1) Purchase of property, plant and equipment

During the six months ended 31 December 2022, the Group acquired property, plant and equipment of \$3,473,000 (2H 2021: \$456,000) which included non-cash additions to right-of-use assets of \$2,776,000 (2H 2021: \$Nil), acquisition by means of hire purchase arrangements of \$Nil (2H 2021: \$150,000) and the balance of \$697,000 (2H 2021: \$306,000) was made in cash.

During the twelve months year ended 31 December 2022, the Group acquired property, plant and equipment of \$6,156,000 (2021: \$2,938,000) which included non-cash additions to right-of-use assets of \$3,812,000 (2021: \$1,268,000), acquisition by means of hire purchase arrangements of \$Nil (2021: \$150,000), transfer from other assets relating to a deposit of \$Nil (2021: \$185,000) paid in prior year and the balance of \$2,344,000 (2021: \$1,335,000) was made in cash.

(2) Improvements of investment properties

During the financial year ended 31 December 2021, the Group incurred improvement works on investment properties of \$943,000 of which transfer from other assets relating to a deposit of \$52,000 paid in prior year and the balance of \$891,000 was made in cash.

F. Notes to the condensed interim consolidated financial statements For the second half year and full year ended 31 December 2022

1. Corporate Information

Hiap Hoe Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST) Mainboard. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are:

- (a) Property investment and owner;
- (b) Hotel owner;
- (c) Investment holding; and
- (d) Owners and operators of bowling centres and recreation centres.

There has been no significant change in the nature of these activities during the financial year.

Its immediate and ultimate holding company is Hiap Hoe Holdings Pte Ltd, a company incorporated in Singapore. Related companies refer to members of the immediate and ultimate holding company’s group of companies.

2. Basis of Preparation

The condensed interim financial statements for the six months 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 performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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

2.1. New and amended standards adopted by the Group

In the current financial year, the Group and the Company adopted the Amendments to SFRS(I) that are mandatory for annual periods beginning on or after 1 January 2022.

The adoption of the Amendments to SFRS(I) did not result in any substantial change to the Group and the Company’s accounting policies or any material impact on the financial statements of the Group.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

2.2. Use of judgements and estimates (cont'd)

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, estimates and assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

Impairment of non-financial assets

- Note 12 Property, plant and equipment
- Note 13 Investment properties

The Group carries its investment properties and property, plant and equipment at cost less accumulated depreciation and accumulated impairment. In the case of investment properties, impairment loss is recognised when carrying value exceeds fair value, and for property, plant and equipment, such loss is recognised when the carrying value exceeds recoverable amount.

The assets are accounted using the cost model. For assessing whether there is any indication that the asset is impaired, and recoverable amount where necessary, the Group considers both external and internal sources of information, including the fair value appraised by external valuers. The fair value assessment is complex and highly dependent on a range of assumptions such as discount rate, capitalisation rate, terminal yield and growth rate made by the valuers.

It is the Group's practice to carry out an external independent valuation exercise on its property assets on an annual basis at the end of each financial year by engaging real estate valuation experts to assess the fair value of the properties. These independent valuers have recognised and relevant professional qualification with relevant experience in the location and category of the properties being valued.

During the current year, the Group recorded a reversal of impairment loss of \$1.3 million in the profit or loss relating to the hotel at Holiday Inn Express Manchester, representing the increase in recoverable amount due to a higher occupancy rate with the easing of lockdown restrictions. The recoverable amount of the property, plant and equipment was based on its value in use and the discount rate used was 10.0% (2021: 9.5%). The recoverable amount of the asset is not disclosed as it refers to a commercially sensitive information of the Group.

The Group has also recorded an impairment loss of \$2.9 million in the profit or loss relating to the investment property at 130 Stirling Street, Perth, representing the write down of this property to its fair value less cost to sell which the fair value of the investment property was dampen arising from the increasing cost of capital in Australia. Details of valuation techniques and inputs used are as follows:

Valuation techniques	Unobservable inputs	Range
Capitalisation approach	Capitalisation rate	6.25% (2021: 5.75%)
Discounted cash flow	Discount rate	7.00% (2021: 6.25%)

These indicative open market values are advised by independent professional valuers.

2.2. Use of judgements and estimates (cont'd)

- Note 5 Valuation of unquoted investments

The Group has unquoted investments which include fixed income instruments, mutual and private equity funds.

The fair values of unquoted investments are determined based on various valuation techniques which involve the use of assumptions and estimates determined by financial institutions managing these investments and application of management judgement. Estimation uncertainty exists for the valuation as these investments are not traded in an active market and the valuation techniques involve the use of significant unobservable inputs such as revalued net asset values and recent transaction prices.

3. Seasonal operations

Save for the impact on the COVID-19 pandemic during the year, the Group's businesses are not affected significantly by seasonal or cyclical factors.

4. Segment and revenue information

For management purposes, the Group is organised into business units based on their products and services, and has five reportable operating segments as follows:

- i. The development properties segment is in the business of acquiring land/property and developing them into residential/industrial/commercial properties for sales.
- ii. The rental segment is in the business of renting of space under the investment properties and property, plant and equipment.
- iii. The leisure segment is in the business of providing leisure and recreational facilities, including bowling centres, billiards centres and amusement centres under the brand 'SuperBowl'.
- iv. The hotel operations segment is operated under the brand names of "Ramada Singapore", "Days Hotel Singapore", "Holiday Inn Express Trafford City", "Four Points by Sheraton Melbourne" and "Aloft Perth".
- v. The other investments portfolio with a mix of quoted and unquoted investments.
- vi. The others segment is involved in Group-level corporate services and treasury functions.

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

4.1. Reportable segments

1 July 2022 to 31 December 2022

	Development Properties	Rental Income	Leisure Business	Hotel Income	Other Investments	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Segment revenue								
- External sales	366	14,675	5,845	49,824	-	-	-	70,710
- Inter-segment sales (Note A)	-	145	-	-	-	1,781	(1,926)	-
	<u>366</u>	<u>14,820</u>	<u>5,845</u>	<u>49,824</u>	<u>-</u>	<u>1,781</u>	<u>(1,926)</u>	<u>70,710</u>
Results								
Segment profit/(loss) (Note B)	255	(2,121)	1,324	6,323	(11,561)	(6,317)	(7,932)	(20,029)
Income tax credit								219
Loss after tax								<u>(19,810)</u>
Other information:								
Other income	42	2,733	24	1,645	23	175	-	4,642
Interest income	-	27	-	5	1,839	14	-	1,885
Finance cost	-	(5,816)	(274)	(4,274)	(1,975)	(977)	-	(13,316)
Fair value changes in other investments	-	-	-	-	(16,847)	-	-	(16,847)
Fair value changes in derivative instruments	-	-	-	-	304	-	-	304
Depreciation expense	-	(4,798)	(1,233)	(5,105)	-	(65)	(6,006)	(17,207)
Other expenses	-	(8,675)	(1,152)	(22,567)	(219)	(348)	-	(32,961)
Other material non-cash items:								
Write back of impairment loss on property, plant and equipment	-	-	-	1,305	-	-	-	1,305
Impairment loss on investment property	-	(2,948)	-	-	-	-	-	(2,948)
Timing of transfer of goods or services (excluding lease rental income*) from contracts with customers								
At a point in time	366	511	5,805	10,826	-	-	-	17,508
Over time	-	685	40	38,998	-	-	-	39,723
	<u>366</u>	<u>1,196</u>	<u>5,845</u>	<u>49,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,231</u>
Additional to non-current assets (Note C)	-	19	3,148	263	-	43	-	3,473

1 July 2021 to 31 December 2021

	Development Properties	Rental Income	Leisure Business	Hotel Income	Other Investments	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Segment revenue								
- External sales	444	11,908	2,995	32,973	-	-	-	48,320
- Inter-segment sales (Note A)	-	145	-	-	-	729	(874)	-
	<u>444</u>	<u>12,053</u>	<u>2,995</u>	<u>32,973</u>	<u>-</u>	<u>729</u>	<u>(874)</u>	<u>48,320</u>
Results								
Segment profit/(loss) (Note B)	51	14,591	93	8,548	7,269	(5,962)	(6,881)	17,709
Income tax expense								(3,944)
Profit after tax								<u>13,765</u>
Other information:								
Other income	(10)	17,254	653	7,018	-	49	-	24,964
Interest income	-	30	-	-	1,379	-	-	1,409
Finance cost	-	(2,123)	(143)	(1,495)	(743)	(904)	-	(5,408)
Fair value changes in other investments	-	-	-	-	371	-	-	371
Fair value changes in derivative instruments	-	-	-	-	(115)	-	-	(115)
Depreciation expense	-	(4,734)	(1,292)	(5,422)	-	(122)	(6,007)	(17,577)
Other expenses	(45)	(7,376)	(590)	(14,281)	(592)	(454)	-	(23,338)
Other material non-cash items:								
Write back of impairment loss on property, plant and equipment	-	-	-	3,339	-	-	-	3,339
Write back of impairment loss on investment property	-	15,570	-	-	-	-	-	15,570
Timing of transfer of goods or services (excluding lease rental income*) from contracts with customers								
At a point in time	444	548	2,968	2,446	-	-	-	6,406
Over time	-	1,182	27	30,527	-	-	-	31,736
	<u>444</u>	<u>1,730</u>	<u>2,995</u>	<u>32,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,142</u>
Additional to non-current assets (Note C)	-	472	256	196	-	1	-	925

* Excluding rental income from lease of properties which is out of scope of SFRS(I) 15 Revenue from Contracts with Customers.

4.1. Reportable segments (cont'd)

1 January 2022 to 31 December 2022

	Development Properties	Rental Income	Leisure Business	Hotel Income	Other Investments	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Segment revenue								
- External sales	366	26,970	10,131	81,932	-	-	-	119,399
- Inter-segment sales (Note A)	-	291	-	-	-	2,461	(2,752)	-
	<u>366</u>	<u>27,261</u>	<u>10,131</u>	<u>81,932</u>	<u>-</u>	<u>2,461</u>	<u>(2,752)</u>	<u>119,399</u>
Results								
Segment profit/(loss) (Note B)	257	11,965 ⁽¹⁾	1,832	6,625	(16,744)	(12,780)	(14,764)	(23,609)
Income tax credit								1,477
Loss after tax								<u>(22,132)</u>
Other information:								
Other income	52	17,791 ⁽¹⁾	259	2,256	16	193		20,567
Interest income	-	65	-	5	3,167	16		3,253
Finance cost	-	(7,685)	(498)	(6,183)	(2,784)	(2,772)	-	(19,922)
Fair value changes in other investments	-	-	-	-	(29,448)	-	-	(29,448)
Fair value changes in derivative instruments	-	-	-	-	286	-	-	286
Depreciation expense	-	(9,621)	(2,512)	(10,448)	-	(146)	(12,012)	(34,739)
Other expenses	(8)	(15,010)	(2,115)	(38,156)	(618)	(799)	-	(56,706)
Other material non-cash items:								
Write back of impairment loss on property, plant and equipment	-	-	-	1,305	-	-	-	1,305
Impairment loss on investment property	-	(2,948)	-	-	-	-	-	(2,948)

⁽¹⁾ This includes \$12.9 million gain on disposal of two units of investment properties at Skyline 360° at St Thomas Walk.

Timing of transfer of goods or services (excluding lease rental income*) from contracts with customers

At a point in time	366	872	10,060	17,472	-	-	-	28,770
Over time	-	1,398	71	64,460	-	-	-	65,929
	<u>366</u>	<u>2,270</u>	<u>10,131</u>	<u>81,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,699</u>

Additional to non-current assets (Note C)	-	754	4,690	626	-	86	-	6,156
Segment assets (Note D)	<u>1,844</u>	<u>515,998</u>	<u>17,774</u>	<u>242,415</u>	<u>336,213</u>	<u>14,628</u>	<u>-</u>	<u>1,128,872</u>
Segment liabilities (Note E)	<u>-</u>	<u>330,919</u>	<u>13,294</u>	<u>154,361</u>	<u>168,887</u>	<u>112,461</u>	<u>-</u>	<u>779,922</u>

1 January 2021 to 31 December 2021

	Development Properties	Rental Income	Leisure Business	Hotel Income	Other Investments	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Segment revenue								
- External sales	2,797	24,223	6,543	60,125	-	-	-	93,688
- Inter-segment sales (Note A)	-	291	-	-	-	1,350	(1,641)	-
	<u>2,797</u>	<u>24,514</u>	<u>6,543</u>	<u>60,125</u>	<u>-</u>	<u>1,350</u>	<u>(1,641)</u>	<u>93,688</u>
Results								
Segment profit/(loss) (Note B)	417	13,098	354	8,961	25,907	(8,548)	(13,653)	26,536
Income tax expense								(5,344)
Profit after tax								<u>21,192</u>
Other information:								
Other income	31	18,894	1,033	9,255	-	294	-	29,507
Interest income	-	90	-	-	2,714	12	-	2,816
Finance cost	-	(3,834)	(371)	(3,148)	(1,531)	(2,005)	-	(10,889)
Fair value changes in other investments	-	-	-	-	13,882	-	-	13,882
Fair value changes in derivative instruments	-	-	-	-	17	-	-	17
Depreciation expense	-	(9,418)	(2,588)	(10,886)	-	(269)	(12,012)	(35,173)
Other expenses	(204)	(15,268)	(1,212)	(27,044)	(1,039)	(881)	-	(45,648)
Other material non-cash items:								
Write back of impairment loss on property, plant and equipment	-	-	-	3,339	-	-	-	3,339
Write back of impairment loss on investment property	-	15,570	-	-	-	-	-	15,570
Timing of transfer of goods or services (excluding lease rental income*) from contracts with customers								
At a point in time	2,797	748	6,512	14,742	-	-	-	24,799
Over time	-	1,210	31	45,383	-	-	-	46,624
	<u>2,797</u>	<u>1,958</u>	<u>6,543</u>	<u>60,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,423</u>
Additional to non-current assets (Note C)	-	2,257	262	721	-	641	-	3,881
Segment assets (Note D)	<u>2,326</u>	<u>546,368</u>	<u>14,900</u>	<u>264,232</u>	<u>331,198</u>	<u>16,554</u>	<u>-</u>	<u>1,175,578</u>
Segment liabilities (Note E)	<u>43</u>	<u>407,976</u>	<u>10,815</u>	<u>153,281</u>	<u>167,071</u>	<u>63,521</u>	<u>-</u>	<u>802,707</u>

* Excluding rental income from lease of properties which is out of scope of SFRS(I) 15 Revenue from Contracts with Customers.

4.1. Reportable segments (cont'd)

Notes

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment (loss)/profit to arrive at “(loss)/profit before tax” presented in the consolidated income statement:

	6 months ended		12 months ended	
	31-Dec-22 \$'000	31-Dec-21 \$'000	31-Dec-22 \$'000	31-Dec-21 \$'000
Profit from inter-segment sales	1,926	874	2,752	1,641
Depreciation	6,006	6,007	12,012	12,012
	<u>7,932</u>	<u>6,881</u>	<u>14,764</u>	<u>13,653</u>

C Additions to non-current assets consist of additions to property, plant and equipment and investment properties.

D The following items are deducted from segment assets to arrive at total assets reported in the consolidated balance sheet:

	31-Dec-22 \$'000	31-Dec-21 \$'000
Segment assets	1,128,872	1,175,578
<u>Unallocated assets</u>		
Property, plant and equipment	317,778	326,290
Investment properties	123,294	126,794
Consolidated total assets	<u>1,569,944</u>	<u>1,628,662</u>

E The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	31-Dec-22 \$'000	31-Dec-21 \$'000
Segment liabilities	779,922	802,707
<u>Unallocated liabilities</u>		
Deferred tax liabilities	68,391	70,091
Consolidated total liabilities	<u>848,313</u>	<u>872,798</u>

F Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue				Non-current assets	
	2H 2022 \$'000	2H 2021 \$'000	FY 2022 \$'000	FY 2021 \$'000	31-Dec-22 \$'000	31-Dec-21 \$'000
<u>Revenue</u>						
Australia	22,759	19,398	39,247	39,931	228,634	255,949
Singapore	43,998	25,556	72,978	49,121	931,435	951,501
United Kingdom	3,953	3,366	7,174	4,636	33,869	38,275
	<u>70,710</u>	<u>48,320</u>	<u>119,399</u>	<u>93,688</u>	<u>1,193,938</u>	<u>1,245,725</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:

The Group	Carrying amount		Fair value			
	Fair value through profit or loss	At amortised cost	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
At 31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>						
Trade and other receivables ⁽¹⁾	-	5,980				
Other investments	297,168	-	144,147	-	153,021	297,168
Derivatives	200	-	-	-	200	200
Other assets	-	280				
Cash and bank balances	-	50,001				
	<u>297,368</u>	<u>56,261</u>				
<u>Financial liabilities</u>						
Trade and other payables ⁽²⁾	-	5,684				
Other liabilities ⁽³⁾	-	13,349				
Derivatives	(66)	-	-	-	(66)	(66)
Amount due to related companies (non-trade)	-	8				
Interest-bearing loan and borrowings	-	743,760				
	<u>(66)</u>	<u>762,801</u>				

The Group	Carrying amount		Fair value			
	Fair value through profit or loss	At amortised cost	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
At 31 December 2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>						
Trade and other receivables ⁽¹⁾	-	7,329				
Other investments	315,565	-	160,925	-	154,640	315,565
Derivatives	61	-	-	-	61	61
Other assets	-	337				
Cash and bank balances	-	29,580				
	<u>315,626</u>	<u>37,246</u>				
<u>Financial liabilities</u>						
Trade and other payables ⁽²⁾	-	(2,619)				
Other liabilities ⁽⁴⁾	-	(10,733)				
Derivatives	(289)	-	-	-	(289)	(289)
Amount due to related companies (trade and non-trade)	-	(23)				
Interest-bearing loan and borrowings	-	(771,577)				
	<u>(289)</u>	<u>(784,952)</u>				

(1) excludes GST receivables and lease receivables.

(2) excludes GST payables, advance receipts and billings, and lease payables.

(3) excludes deposits that are not financial liabilities and deferred income.

(4) excludes deposits that are not financial liabilities, deferred income and deferred government grant income.

6. Fair value measurement

Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable input (Level 3):

Group	Fair value measurements using significant unobservable inputs (Level 3)		
	Unquoted investments	Derivatives assets/ (liabilities)	Total
	\$'000	\$'000	\$'000
2022			
At 1 January	154,640	(228)	154,412
Loss on disposal of other investments	(117)	-	(117)
Fair value changes included in profit or loss	(1,562)	286	(1,276)
Return of capital	(754)	-	(754)
Purchase of other investments	13,581	-	13,581
Proceeds from disposal of other investments	(12,767)	-	(12,767)
Settlement of derivatives	-	76	76
At 31 December	153,021	134	153,155

Group	Fair value measurements using significant unobservable inputs (Level 3)		
	Unquoted investments	Derivatives assets/ (liabilities)	Total
	\$'000	\$'000	\$'000
2021			
At 1 January	131,148	(402)	130,746
Loss on disposal of other investments	(72)	-	(72)
Fair value changes included in profit or loss	5,144	17	5,161
Return of capital	(117)	-	(117)
Purchase of other investments	22,118	-	22,118
Proceeds from disposal of other investments	(3,581)	-	(3,581)
Settlement of derivatives	-	157	157
At 31 December	154,640	(228)	154,412

7. (Loss)/profit before tax

(Loss)/profit before tax is after (debiting)/crediting the following:

	The Group				
	6 months ended			12 months ended	
	31-Dec-22	31-Dec-21		31-Dec-22	31-Dec-21
	\$'000	\$'000		\$'000	\$'000
(A) <u>Other income comprises mainly:</u>					
Amortisation of deferred income	39	41	(4.9)	80	84
Amortisation of deferred government grant income	-	30	NM	365	362
Effects of COVID-19 related rent waivers received from lessors	-	252	NM	-	342
Gain/(loss) on disposal of property, plant and equipment	1	(4)	(125.0)	42	78
Gain on disposal of asset held-for-sale ⁽¹⁾	-	-	NM	12,910	-
Government grant income ⁽²⁾	360	3,533	(89.8)	786	5,810
Gain on disposal of other investments	23	-	NM	16	-
Property recovery income	2,727	1,237	120.5	4,865	2,845
Write back of impairment loss on investment property	-	15,570	NM	-	15,570
Write back of impairment loss on property, plant and equipment ⁽³⁾	1,305	3,339	(60.9)	1,305	3,339
Others	187	966	(80.6)	198	1,077
	<u>4,642</u>	<u>24,964</u>		<u>20,567</u>	<u>29,507</u>
(B) Depreciation of property, plant and equipment	(12,352)	(12,797)	(3.5)	(24,992)	(25,642)
Depreciation of investment properties	(4,855)	(4,780)	1.6	(9,747)	(9,531)
	<u>(17,207)</u>	<u>(17,577)</u>		<u>(34,739)</u>	<u>(35,173)</u>
(C) <u>Other expenses comprises mainly:</u>					
Audit and professional fees	(539)	(619)	(12.9)	(1,026)	(1,158)
Loss on disposal of other investments	-	(212)	NM	-	(285)
Hotel consumables	(3,107)	(2,393)	29.8	(5,169)	(4,718)
Hotel management fees	(2,007)	(1,371)	46.4	(3,240)	(2,446)
Impairment loss on investment property ⁽³⁾	(2,948)	-	NM	(2,948)	-
Marketing and distribution expenses	(4,915)	(2,564)	91.7	(8,309)	(5,332)
Property, plant and equipment written off	(11)	(11)	-	(16)	(18)
Property related taxes	(1,842)	(1,602)	15.0	(3,297)	(3,811)
Upkeep and maintenance expenses of properties	(15,652)	(14,052)	11.4	(29,386)	(25,423)
Others	(1,940)	(514)	277.4	(3,315)	(2,457)
	<u>(32,961)</u>	<u>(23,338)</u>		<u>(56,706)</u>	<u>(45,648)</u>
(D) Fair value changes in other investments	(16,847)	371	(4,641.0)	(29,448)	13,882
Fair value changes in derivative instruments	304	(115)	(364.3)	286	17
	<u>(16,543)</u>	<u>256</u>		<u>(29,162)</u>	<u>13,899</u>

(1) This relates to the gain on disposal of two units of investment properties at Skyline 360° at St Thomas Walk.

(2) Government grant income includes mainly Job Support Scheme pay-out in Singapore and other similar support schemes in Australia and United Kingdom.

(3) See Note 2.2 for more details on the basis of write back and impairment provision respectively.

8. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements. Please also refer to Other Information Required by Listing Rule Appendix 7.2 in Note 6.

9. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group			
	6 months ended		12 months ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	\$'000	\$'000	\$'000	\$'000
Current income tax expense	(2,477)	(871)	(4,257)	(3,170)
Deferred income tax credit/(expense) relating to origination and reversal of temporary differences	2,696	(3,073)	5,734	(2,174)

10. Dividends

Refer to Note 5 of the Other Information Required by Listing Rule Appendix 7.2 section for more details.

11. Net Asset Value

	The Group		The Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Net assets value per share (cents)	152.68	159.92	107.58	107.95
Based on number of shares	470,557,541	470,557,541	470,557,541	470,557,541

12. Property, plant and equipment

The addition of assets including right-of-use assets for the six months ended 31 December 2022 was \$3,473,000 (2H 2021: \$456,000) and assets disposal was \$11,000 (2H 2021: \$16,000).

During the six months ended 31 December 2022, the Group recorded a reversal of impairment loss of \$1.3 million (2H 2021: \$3.3 million) in the profit or loss relating to the hotel at Holiday Inn Express Manchester. See Note 2.2 for more details.

13. Investment properties

During the six months ended 31 December 2022, the Group incurred improvement cost amounting to \$Nil (2H 2021: \$469,000). The Group has also recorded an impairment loss of \$2.9 million (2H 2021: reversal of impairment loss of \$15.6 million) in the profit or loss relating to the property at 130 Stirling Street, Perth. See Note 2.2 for more details.

14. Borrowings

Group (\$'000)

Amount repayable in one year or less, or on demand ⁽¹⁾

As at 31 December 2022		As at 31 December 2021	
Secured	Unsecured	Secured	Unsecured
383,555	-	369,864	-

Amount repayable after one year ⁽²⁾

As at 31 December 2022		As at 31 December 2021	
Secured	Unsecured	Secured	Unsecured
328,031	-	369,858	-

⁽¹⁾ Exclude lease liabilities of \$3,460,000 (31 December 2021: \$3,277,000).

⁽²⁾ Exclude lease liabilities of \$28,714,000 (31 December 2021: \$28,578,000).

14. Borrowings (cont'd)

Details of any collateral

The above borrowings are from financial institutions and are secured by the following:

1. Legal mortgages on the Group's property, plant and equipment and investment properties (collectively, the "Properties");
2. Legal assignment of all rights and benefits under the sale and purchase agreements, hotel management contracts and/or tenancy agreements;
3. Assignment of all insurance policies and interest service reserve account for certain Properties;
4. Deed of subordination to subordinate all loans and advances from the Company to the facilities;
5. Corporate guarantees given by the Company and certain subsidiaries; and
6. A charge over certain other investments, cash and short-term deposits and shares of a subsidiary.

15. Share capital

	The Group and the Company			
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Issued and fully paid ordinary shares	Number of shares		\$	\$
Balance at beginning and at end of interim period	474,557,391	474,557,391	84,445,256	84,445,256

During the period ended 31 December 2022, there was no change to the issued share capital of the Company.

There were no outstanding convertibles and subsidiary holdings as at the end of the financial years ended 31 December 2022 and 31 December 2021.

The number of issued shares excluding treasury shares as at 31 December 2022 is 470,557,541 (31 December 2021: 470,557,541).

16. Treasury shares

	The Group and the Company			
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Number of shares		\$	\$
Balance at beginning and at end of interim period	(3,999,850)	(3,999,850)	(1,101,125)	(1,101,125)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

G. Other Information Required by Listing Rule Appendix 7.2

1. Review

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

2. Review of performance of the Group

Condensed consolidated income statement for the second half year ended 31 December 2022 (“2H 2022”) performance

The Group recorded revenue of \$70.7 million for 2H 2022, an increase of \$22.4 million from \$48.3 million recorded in the previous corresponding period ended 31 December 2021 (“2H 2021”).

Revenue from development properties relates to the sale of units at Marina Tower, Melbourne. The Group recorded lower sales of development properties in 2H 2022 as compared to 2H 2021.

Rental revenue was higher by 23.2% at \$14.7 million, compared to \$11.9 million in 2H 2021. Revenue from hotel operations was also higher by 51.1% at \$49.8 million, compared to \$33.0 million in 2H 2021. The increases were due to improved occupancies for certain of the Group’s properties.

Revenue from leisure business increased by \$2.8 million from \$3.0 million in 2H 2021 to \$5.8 million in 2H 2022 arising from higher sales activities and the additional contribution from the new bowling centre at Siglap Community Club.

Included in other income of \$4.6 million in 2H 2022 was the write back of impairment loss of \$1.3 million on the hotel at Holiday Inn Express Manchester attributable to higher occupancy rates, compared to \$3.3 million recorded in 2H 2021. Also included in 2H 2021 was the write back of impairment loss on the investment property at Stirling Street, Perth of \$15.6 million. The write back of impairment losses were supported by indicative open market values as advised by independent professional valuers. See Note 7 at Condensed Consolidated Interim Financial Statements for more details on the Group’s Other income and Note 2.2 on the reversal of impairment losses.

The Group recorded a foreign exchange loss of \$3.4 million in 2H 2022 as compared to a gain of \$0.4 million in 2H 2021. The differences were mainly due to the fluctuation in Australian dollar, Euro and United States dollar exchange rates against Singapore dollars.

The Group recorded higher operating costs and expenses in 2H 2022 as compared to 2H 2021 due to the upkeep and maintenance of the properties, higher manpower and other costs. Included in 2H 2022 was an impairment loss of \$2.9 million on the investment property at Stirling Street, Perth. See Note 7 at Condensed Consolidated Interim Financial Statements for more details on the Group’s costs and expenses and Note 2.2 on the impairment loss provision.

Finance cost increased by \$7.9 million in 2H 2022 as compared to 2H 2021 due to higher borrowing rates.

The Group recorded in 2H 2022 a fair value loss of \$16.5 million in financial instruments arising from mark-to-market losses from other investments due to elevated volatility and significant declines across asset classes as compared to a fair value gain of \$0.3 million recorded in 2H 2021.

The Group generated a loss before tax of \$20.0 million in 2H 2022 as compared to a profit before tax of \$17.7 million in 2H 2021. Correspondingly, the loss after tax was recorded at \$19.8 million in 2H 2022 versus a profit after tax of \$13.8 million in 2H 2021.

2. Review of performance of the Group (cont'd)

Condensed consolidated income statement for the financial year ended 31 December 2022 ("FY 2022") performance

The Group recorded revenue of \$119.4 million for FY 2022, an increase of \$25.7 million from \$93.7 million recorded in the previous financial year ended 31 December 2021 ("FY 2021").

Revenue from development properties relates to the sale of units at Marina Tower, Melbourne. The Group recorded lower sales of development properties in FY 2022 as compared to FY 2021.

Rental revenue was higher by 11.3% at \$27.0 million, compared to \$24.2 million in FY 2021. Revenue from hotel operations was also higher by 36.3% at \$81.9 million, compared to \$60.1 million in FY 2021. The increases were due to improved occupancies for certain of the Group's properties.

Revenue from leisure business increased by \$3.6 million from \$6.5 million in FY 2021 to \$10.1 million in FY 2022 arising from higher sales activities and the additional contribution from the new bowling centre at Siglap Community Club.

The Group recorded in other income a gain of \$12.9 million on disposal of two units of investment properties at Skyline 360° at St Thomas Walk in FY 2022. Also included in the year was the write back of impairment loss of \$1.3 million on the hotel at Holiday Inn Express Manchester attributable to higher occupancy rates, compared to \$3.3 million recorded in FY 2021. Recorded in FY 2021 was the write back of impairment loss on the investment property at Stirling Street, Perth of \$15.6 million. The write back of impairment losses were supported by indicative open market values as advised by independent professional valuers. See Note 7 at Condensed Consolidated Interim Financial Statements for more details on the Group's Other income and Note 2.2 on the reversal of impairment losses.

The Group recorded a foreign exchange loss of \$3.2 million in FY 2022 as compared to a gain of \$1.6 million in FY 2021. The differences were mainly due to the fluctuation in Australian dollar, Euro and United States dollar exchange rates against Singapore dollars.

The Group recorded higher operating costs and expenses in FY 2022 as compared to FY 2021 due to the upkeep and maintenance of the properties, higher manpower and other costs. Included in FY 2022 was an impairment loss of \$2.9 million on the investment property at Stirling Street, Perth. See Note 7 at Condensed Consolidated Interim Financial Statements for more details on the Group's costs and expenses and Note 2.2 on the impairment loss provision.

Finance cost increased by \$9.0 million in FY 2022 as compared to FY 2021 due to higher borrowing rates.

The Group recorded in FY 2022 a fair value loss of \$29.2 million in financial instruments arising from mark-to-market losses from other investments due to elevated volatility and significant declines across asset classes as compared to a fair value gain of \$13.9 million recorded in FY 2021.

The Group generated a loss before tax of \$23.6 million in FY 2022 as compared to a profit before tax of \$26.5 million in FY 2021. Accordingly, the income tax credit recorded in FY 2022 was \$1.5 million as compared to a tax expense of \$5.3 million in FY 2021, bringing the overall loss after tax to \$22.1 million in FY 2022 versus a profit after tax of \$21.2 million in FY 2021.

Condensed consolidated statement of financial position as at 31 December 2022

Non-current assets

Non-current assets decreased by \$50.4 million from \$1,258.5 million as at 31 December 2021 mainly due to depreciation movements of the year. Included in the year was the write back of impairment loss on the hotel at Holiday Inn Express Manchester of \$1.3 million and an impairment loss of \$2.9 million on the investment property at Stirling Street, Perth.

Condensed consolidated statement of financial position as at 31 December 2022 (cont'd)

Current assets

Current assets decreased by \$8.4 million from \$370.2 million as at 31 December 2021 mainly due to the fair value movements in other investments mitigated by higher cash and short-term deposits in the Group. Included in this period was the sale completion for the two units of investment properties at Skyline 360° At St Thomas Walk. The sale proceeds were taken to repay the Group's borrowings.

Current liabilities

Current liabilities increased by \$19.8 million from \$392.2 million as at 31 December 2021 mainly due to the reclassification of A\$16.0 million bank borrowings from non-current liabilities as the maturity is within the next 12 months.

Non-current liabilities

Non-current liabilities decreased by \$44.3 million from \$480.6 million as at 31 December 2021 due to loan repayment during the year and the reclassification of bank borrowings as mentioned above.

Condensed interim consolidated statement of cash flows position as at 31 December 2022

The Group recorded a net cash generated from operating activities of \$30.7 million and \$45.5 million for 2H 2022 and FY 2022 respectively.

Net cash used in investing activities amounted to \$3.3 million in 2H 2022 and net cash generated for FY 2022 was \$17.4 million. Included in FY 2022 was the sale proceeds of the two units at Skyline 360° At St Thomas Walk of \$19.7 million. Included in FY 2021 was the payment of lease incentives of \$16.6 million for the leases in Perth.

Net cash used in financing activities amounted to \$18.4 million in 2H 2022 which comprised higher interest paid of \$11.4 million compared to 2H 2021 of \$4.7 million. Recorded in FY 2022 was net cash used in financing activities of \$54.9 million which comprised net repayment of bank borrowings and higher interest paid for the year.

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

There are no forecasts or prospect statements that have been disclosed to shareholders.

4. 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 operating period and the next 12 months

While we see a period of improvement of the travel industry in 2022, the Group expects the growth in the hospitality industry to be dampened by weakening global financial confidence.

In line with our recent announcement on the re-branding of the two Singapore hotels as Aloft Singapore Novena, the Group expects the revenue from these hotels to be affected by the rebranding period in the third quarter of 2023 and will contribute to the Group upon its completion in the fourth quarter of 2023.

For the rental business, the Group will strive to improve the rental yields and occupancy rates of the Group's properties to strengthen the recurring income base.

4. 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 operating period and the next 12 months (cont'd)

The Group will continue to face challenges from rising interest rates, inflation, and global economic uncertainties and these will continue to impact the Group's businesses including the investment portfolios which may be affected by market volatility.

The Group has sufficient banking facilities and liquidity to meet its near-term debt obligations and operational needs and will continue to exercise prudence with respect to non-essential capital and operating expenditure.

5. Dividend information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

The Directors are pleased to announce a proposed dividend, subject to shareholders' approval at the forthcoming Annual General Meeting for the financial year ended 31 December 2022 as follows:

Name of dividend : Final (tax exempt one tier)
 Type of dividend : Cash
 Dividend : 0.5 cent per ordinary share
 Tax rate : One tier

(b) Corresponding Period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend : Final (tax exempt one tier)
 Type of dividend : Cash
 Dividend : 0.5 cent per ordinary share
 Tax rate : One tier

(c) Date payable

To be advised.

(d) Books closure date

To be advised.

6. Interested person transactions

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	6 months ended 31 December 2022	12 months ended 31 December 2022	6 months ended 31 December 2022	12 months ended 31 December 2022
Nil	Nil	Nil	Nil	Nil

6. Interested person transactions (cont'd)

Above table excludes transactions with certain interested person during the financial period under review as pursuant to Rule 905(3) of the SGX-ST Listing Rules, no announcement is required by the Company with regard to these transactions as the value of these transactions were below \$100,000.

No general mandate for IPTs has been obtained from shareholders.

7. 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(10) 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
Teo Ho Beng	68	Brother of Roland Teo Ho Kang	<p>Executive Director and Chief Executive Officer Hiap Hoe Limited and Group of subsidiaries (2003):</p> <p>Engaging meetings that enable the Board to perform its duties responsibly. Preparing meeting agenda. Assisting in ensuring compliance with the Company's guidelines on corporate governance. Formulate corporate strategies and policies for the Group. Ensuring senior management's implementation of policies and strategies at the operating level.</p> <p>Responsible for the day-to-day management of the Group as well as the exercise of control over quality, quantity and timeliness of information flow between the Board and Management and in developing the business of the Group.</p>	Nil
Roland Teo Ho Kang	59	Brother of Teo Ho Beng	<p>Managing Director Hiap Hoe Limited and Group of subsidiaries (2003):</p> <p>Formulate corporate strategies and policies for the Group. Overseeing the marketing and promotional activities. Responsible for product development, business expansion and staff development.</p>	Nil
Teo Poh Sim, Agnes	52	Sister of Teo Ho Beng and Roland Teo Ho Kang	<p>Head, Human Resource of Hiap Hoe Limited and Group of subsidiaries (2003)</p> <p>Director of a subsidiary company, SuperBowl Holdings Limited (2016)</p> <p>Formulate human resource policies and administrative policies for the group. Responsible for the group payroll, staff welfares and staff development as well as administration.</p>	Nil

7. **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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement. (cont'd)**

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
Teo Keng Joo, Marc	37	Son of Teo Ho Beng and nephew of Roland Teo Ho Kang	Executive Director Hiap Hoe Limited and Group of subsidiaries (2017) Oversee and head the Project Management department of the Group (2014). Responsible for the Group's expansion plans and corporate investments (2017).	Nil
Teo Poh Leng	56	Sister of Teo Ho Beng and Roland Teo Ho Kang	Director of Super Funworld Pte Ltd (1995) Responsible for monitoring and updating of daily takings of different bowling centres. Responsible for staff welfare. Responsible for staff payroll.	Nil
Teo Ho Kheong	50	Brother of Teo Ho Beng and Roland Teo Ho Kang	Director of: SuperBowl Development Pte Ltd (1996) SuperBowl Jurong Pte Ltd (2002) Super Funworld Pte Ltd (2002) Formulate operations and marketing concepts for SuperBowl Development Pte Ltd and SuperBowl Jurong Pte Ltd. Overall management of bowling programmes for youth tournaments and leagues.	Nil
Teo Poh Ho, Josephine	55	Sister of Teo Ho Beng and Roland Teo Ho Kang	Senior Manager (1994) Formulate operational policies for a few bowling centres. Oversee the operation of these centres. Responsible for staff welfare. Responsible for staff payroll. Oversee the revenue collection for these centres.	Nil
Sin Wong Chan	68	Wife of Teo Ho Beng Sister-in-law of Roland Teo Ho Kang	Finance Manager (2000) Oversee the financial operations of SuperBowl Jurong Pte Ltd and SuperBowl Development Pte Ltd. Oversee the revenue collection of a few bowling centres. Responsible for staff welfare. Responsible for staff payroll.	Nil

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

By Order of the Board

Ong Beng Hong
Joint Company Secretary
28 February 2023